LOCAL GOVERNMENT INFORMATION SERIES

CASE STUDY: INVERCARGILL CITY COUNCIL

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# Table of Contents

## INTRODUCTION
- Background
- Research objectives
- Legislative intent
- Case study methodology
- Invercargill City Council case study specifics
- Case study scope and analysis criteria
- Acknowledgement

## COMMUNITY OUTCOMES
- Legislative intent
- Invercargill City Council’s community outcomes process: Response to the legislation
- The Invercargill City Council community outcomes process
- Community outcomes benefits
- Community outcomes issues
- Impact of community outcomes
- Reflections of Invercargill City Council’s implementation against the legislative intent

## STRATEGIC PLANNING (LTCCP)
- Legislative intent
- Invercargill City Council’s LTCCP - response to the legislation
- Invercargill City Council’s LTCCP development process
- LTCCP benefits
- LTCCP issues
- Impact of the LTCCP
- Invercargill City Council’s LTCCP against legislative intent

## COUNCIL DECISION-MAKING
- Legislative intent
Introduction

Background

1. New local government legislation administered by the Department of Internal Affairs (the Department) was enacted in 2001 and 2002. This report presents the results of a case study of the perceived effects of the legislation upon the Invercargill City Council. It is part of a series of nine case studies providing a rich and deliberately detailed account of how these local authorities have adapted to the 2001 and 2002 legislation, and in particular Part Six of the Local Government Act (the Act) relating to planning, decision-making, and accountability.

2. These case studies were requested by the Manager of Strategic Analysis and Information of the Local Government and Community (LG&C) Branch of the Department as part of the research programme as laid out in the Strategy for Evaluating Local Government Legislation. This long-term research programme is intended to run until 2013 to understand whether the new legislation is operating effectively. Work completed so far on this programme has produced a strategy and a framework for the evaluation programme, and a report on the roll-out of the legislation.

Research objectives

3. The purpose of the case studies was to provide an in-depth and detailed analysis of how local government has reacted to, interpreted and applied the new Act. This research contributes to the local government sector’s knowledge of the effects of the new legislation.

   The specific objectives of the local government case studies were:

   • How local authorities have implemented and addressed the new legislation’s provisions around planning, decision-making and community outcomes
   • How local authorities worked with their communities to develop community outcomes
   • How local authorities developed and implemented their Long-Term Council Community Plans (LTCCPs) and involved communities and stakeholders in the process
   • How local authorities have used the LTCCPs within their organisation
   • How local authorities have consulted and interacted with their communities and stakeholders over decision-making
   • How communities and stakeholders are interacting with local authorities.

4. In considering these objectives, the case studies evaluated local authorities’ application of community outcomes, strategic planning and decision-making. These three components are critical in achieving the Act’s aims of promoting democratic accountability and sustainable development of local government.

5. Insight into the new legislation, provided by the case studies, will also allow the Department to identify opportunities for further research to improve understanding of the effects of the 2001/2002 legislation.

Legislative intent

6. The Act “is designed to provide democratic and effective local government that recognises the diversity of New Zealand communities.” The Act enables local authorities to use a sustainable development approach to promoting community wellbeing. To help make local government more effective, their powers were altered by the Act – they moved away from the prescriptive and restrictive nature of the

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1 Local Government Act 2002; Local Government (Rating) Act 2002; Local Electoral Act 2001
previous legislation to an empowered environment. Balancing this empowerment, the Act also promotes accountability and transparency in local authorities, as detailed in Part 6.

7. The responsibility for facilitating the development of community outcomes with their communities is a new role for all local authorities. Some local authorities had already started a process for setting targets, goals and outcomes for community development, and facilitating other processes that identified strategic direction for their communities, before the enactment of the legislation.

8. While strategic planning was part of the traditional role of local authorities, the legislation emphasised longer-term planning functions and responsibilities (e.g. the LTCCP) to improve the way local authorities undertake strategic planning. Further, the Act asked councils to identify links between strategic planning and the community outcomes identified by the local authority’s communities.

9. The Act requires local authorities to be more considered and transparent in their decision-making. Local authorities need to identify options for achieving the objective of the decision and assess those options by considering the benefits and costs in terms of the present and future wellbeing of the community and alignment with community outcomes. It is expected therefore community outcomes will affect local authorities’ decision-making. The Act continues to require local authorities to use a special consultative procedure (SCP) for consultation on particular issues and decisions. Further, the Act also now requires local authorities to establish and maintain opportunities for Māori to contribute to decision-making.

Case study methodology

10. The case study method was adopted to provide an in-depth and detailed analysis of how local government has reacted to, interpreted and applied the three elements of the Act. In particular, the case studies provided the ability to select councils with significant differences in terms of population, location and nature; and contrasting responses to the legislation.

11. Local authorities were selected using the following purposive sampling criteria:

   1. Type of local authority (regional council / territorial local authority)
   2. Sector (metropolitan / provincial / rural as defined by Local Government New Zealand (LGNZ) membership
   3. Councils who have not participated in previous or proposed future studies to expand knowledge about local government in New Zealand
   4. Rate of general population growth to ensure inclusion of councils experiencing extremes of population growth / decline
   5. Proportion of Māori residents to ensure inclusion of councils with high Māori populations
   6. Location (North / South Island) to ensure inclusion of geographical spread across New Zealand and factors such as degree of urbanisation.

Invercargill City Council case study specifics

12. The Invercargill City Council case study was conducted in March 2008 with follow-up telephone interviews in May and July 2008. The case study was carried out by Litmus. The research for this report was conducted to the ethical standards of the Association of Social Science Researchers and the Australasian Evaluation Society.

13. This case study report was prepared from the review of key documents and interviews with key informants listed below.

14. Documents reviewed:

   - Our Way – Invercargill Long-term Council Community Plan 2006/07-2015/16

15. Key informants:
- Two Invercargill City Council officers
- Two Invercargill City Councillors
- One Southland District Council officer
- One officer from Environment Southland
- A representative of an Iwi authority
- Two community-based stakeholders identified by Council officers.

16. Those interviewed were identified by council officers as being knowledgeable about one or all of the three elements being examined in the case. Participants were recruited by staff from Invercargill City Council staff.

17. One focus group was held with five staff who had been involved in the community outcomes process. Two staff from Invercargill City Council and one staff member each from Environment Southland, the Southland District Council and Our Way Southland participated. The focus group ran for one-and-a-half hours and the interviews lasted between one and two hours.

18. Five individual face-to-face interviews were conducted. Interviews lasted more than one hour, and were mainly digitally recorded. On request, interview notes were made available for review by participants.

19. Participants were informed that the Department and Litmus will seek to keep their information confidential, and steps have been taken in the preparation of this report to reduce the likelihood they will be identified by their comments. All provided informed consent for their interview.

**Case study scope and analysis criteria**

20. The information and data available to address the evaluation objectives were qualitative in nature. Interviews were conducted with a limited range of informants who agreed to participate. Litmus undertook a thematic analysis of the qualitative information to identify emerging themes, and to elicit differences across different stakeholders. Themes emerging were collaborated through triangulation of interviews with analysis of secondary data and documents. Key findings in the research were judged by the regularity with which they were mentioned by informants, and where there was significance difference in opinion on the same theme.

21. The case study report is therefore indicative, not definitive. That is, we are unable to categorically say whether or not the themes noted throughout the case study report are held by all stakeholders of Invercargill City Council. Nor is it possible to comment accurately about whether the strength of the views represented in this report was widely shared. We are, however, confident that this report accurately represents the views and perceptions of participants who contributed to this case study.

**Acknowledgement**

22. The Department and Litmus wish to express our thanks to all those who contributed to this case study. We would especially like to thank council officers of Invercargill City Council for assisting us in recruiting key informants and all those who gave time and reviewed the draft case study.

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3 A third interview with a city councillor was not carried out because of the councillor’s prior commitment.
Community Outcomes

Legislative intent

“The Act promotes greater accountability between local authorities and their communities and a long-term focus for the decisions and activities of the local authority. The Act requires local authorities to facilitate a process with their communities, at least every six years, to identify community outcomes for the intermediate and long-term future of the district or region. The role of the local authority is to facilitate the process, with the community having ownership of the identified outcomes.

Identifying community outcomes is designed to promote better co-ordination and application of community resources, and inform and guide priorities for activities undertaken by local authorities and other organisations. Local authorities' role is to facilitate the contribution other local authorities, government agencies, local organisations and the business sector make to the outcomes and priorities identified by the community.

Local authorities can decide what processes to use to identify and prioritise community outcomes but they must ensure that the processes encourage the community to contribute. They also must, before deciding on the process, identify other organisations and groups capable of influencing either the identification or the promotion of community outcomes, and, if practicable, secure their agreement to the process.”

Invercargill City Council’s community outcomes process: Response to the legislation

23. Invercargill City Council collaborated with the three other Southland councils in undertaking the Community Outcomes process. The process was initially developed by the Shared Services Forum – a collaborative arm of the four Southland councils of Gore District, Southland District, Invercargill City and Environment Southland (the Regional Council).

24. The Southland Shared Services Forum was formed in October 2000 expressly to promote working together. It serves as a forum for the local authorities of the region, and is used to share information, and identify, debate, and evaluate potential joint arrangements. The Forum is constituted as a joint committee under the Act and holds its meetings in public. This provides an opportunity for debate and scrutiny of outcomes of joint arrangements between the participating local authorities. The Forum is comprised of chief executives and councillors. It provides leadership, direction, and oversight of the various joint arrangements, and creates and supports a culture of working together at councillor and chief executive level.

25. The Shared Services Forum developed a collaborative approach to community outcomes because it was believed that all new initiatives and requirements should first be considered through a shared service approach. This decision was supported by the thought that businesses, organisations and people do not recognise territorial boundaries for the communities they serve. Further, a collaborative approach was adopted as it was believed that there would be savings in both money and resources.

The Invercargill City Council community outcomes process

26. All participants in this case study were unanimous that the process undertaken in the community outcomes process was rigorous and far reaching. The process aimed to elicit community-derived outcomes.

27. A collaborative Project Team of senior staff from each of the four Southland councils was established. Its purpose was to facilitate the consultation process and analyse feedback and to develop draft

outcomes, priorities and actions. The Project Team reported to a Steering Group that comprised of councillors from each of the four councils and an iwi representative

28. At the end of 2003, the Project Team ran a focus group and prepared a snapshot report that painted a picture of the region’s people, economy, environment and culture

29. In 2004, the Project Team delivered the consultation phase of the project over an eight month period. The consultation phase consisted of the following activities –

**Stakeholder workshops**

30. five workshops held in February 2004. The topics were health and wellbeing, education and training, the economy, and lifestyle and culture. Seventy-five agencies attended (including central and local government, business and community groups). Workshops were developed around stakeholder interests and participants were invited to attend workshops that were aligned with stakeholder-specific interests. The workshops were seen as an opportunity to discuss many of the ‘big picture’ strengths, weaknesses and opportunities in Southland

**Postcard mail-out**

31. In February 2004, a postcard was sent to every household in the region. It gave some background information on the goals of the project and asked residents about the sort of Southland they wanted to live in. At total of 30,000 postcards were sent out and approximately 500 postcards were returned

**Promotion**

32. A comprehensive advertising and publicity campaign was run to encourage people to be involved and also included the development of an Our Way Southland website

**Community workshops**

33. Over 80 workshops were held throughout Southland between March and September 2004. More than 1100 people attended the workshops with a wide range of groups and agencies taking part. Workshops were held with councillors, 16 community boards, local businesses, community groups and agencies. These included a hui with local iwi, the Community Trust of Southland, Southland District Health Board, Plunket, Rotary Clubs, schools, Federated Farmers, Grey Power and conversation groups. The community workshops were attended by council officers and some councillors. Councillors role was one of a “listening ear” only as workshops’ aim was to gather community perspectives

**Telephone survey**

34. A survey of 600 residents was carried out by Southland Institute of Technology in August 2004. Samples were taken from Gore District, Southland District and Invercargill City. The survey was an opportunity to get feedback on the draft outcomes and find out what respondents felt were most important to them and what actions would be required to make them happen

**Summary and second round of consultation**

35. In May 2005, the first draft of Our Way Southland was released to the community for comment. This was summarised in a pamphlet drop to every letterbox in the region with the full draft report available on request. Another round of meetings with stakeholders ensured the report captured their support and commitment to the project. Feedback and comments were then collated and incorporated into the final report produced in June 2005

36. Adoption – In June, the outcomes, which were further refined by the second round of consultation, were adopted by the Shared Services Forum, with ratification by each individual council in July, 2005. The official launch of Our Way Southland was in August at the Ascot Park Hotel with approximately 200 people attending. Appendix Two lists the seven community outcomes.

**Community outcomes benefits**

37. Before reporting on benefits and issues surrounding the Community outcomes process, it should be noted that interview participants appeared to fall into three discrete camps:

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5 24 agencies and organisations who were capable of influencing the identification or promotion of the community outcomes were identified. Appendix One lists the stakeholders invited to comment on the draft community outcomes.
• those who were enthusiastic about the intentions underlying the Local Government Act 2002. These participants’ criticisms were generally associated with a missed opportunity to create a shared vision and strategic direction arising out of the Community outcomes process

• those who viewed the community outcomes process as unnecessary, expensive and a waste of time

• those who were generally satisfied with the process. While these participants were not able to trace any tangible benefit from the process, their satisfaction was generally grounded in a sense of having been involved in a rigorous process.

The process
38. Collaboration between the four councils’ facilitated an inter-council coordinated approach that aimed to ensure consistency throughout that process. An unanticipated benefit of this was that each of the participating councils grew to better understand each others roles. Much of the strength of this process was attributed to one particular senior manager’s leadership and assistance with outcome-related theory and establishing a process of working together.

Community engagement
39. Participants generally agreed that a widespread community engagement exercise was undertaken. However, some participants raised concern that although a diverse population participated there was an apparent lack of community buy-in into the final product. They attributed this to the community outcomes being of too high a level, and therefore community groups’, stakeholders’ and council found it challenging to know how they could contribute to or achieve them.

Community outcomes issues
40. While the Community Outcomes process had ensured consistency and widespread community engagement, a number of issues were raised relating to:

• The community outcomes process used by the council

• Community engagement in the Community Outcomes process, whether participating in the consultation exercise or in taking ownership

• The overall usefulness of the deliverables from the Community Outcomes process.

Process issues
41. Participants (both council and community stakeholders) generally viewed the community outcomes process as being unduly expensive and protracted. Only one participant, who appeared to be aligned to a more conservative or traditional view of council responsibilities, viewed the Community Outcomes Process as “unnecessary and a waste of time”. The remainder were sympathetic to the Community Outcomes Process but cited the need for it to be more efficient in the future. The regional nature of the project undertaken with minimal legislative direction lead one Council Officer to view the community outcomes process as protracted.

Community engagement
42. Participants agreed that, to date, there had been a low degree of buy-in from community groups, stakeholders, Māori, councillors and council officers into achieving the outcomes. In part, this lack of buy-in was reflected in the under utilisation of Our Way Southland as a reference document by these groups. Three stakeholder groups are using the community outcomes to date including The Family and Community Services division of the Ministry of Social Development for the 2008 Invercargill local services mapping project. Venture Southland and the District Police have both incorporated the community outcomes in their strategic planning and policy formation.

43. Council officers were asked how they would have anticipated that stakeholders would have used the document. Examples included:

• Advocacy – as a reference document to underscore advocacy through council presentations and submissions to council
Business building – the Southland Institute of Technology prepared a business case (prior to the Community Outcomes Process) for additional funds to increase student numbers; the business case drew a direct relationship between greater student numbers and economic and social benefits for Invercargill.

44. Two different voices presented critiques around the issue of poor buy-in to the Community Outcomes. On one hand were those who perceived the need for thoughtful strategic planning and service delivery. On the other were those aligned to community development-based frameworks. Both groups attributed the lack of buy-in to the fact that the Community Outcomes focused only on high level outcomes with no apparent operational meaning at stakeholder level.

45. A recently drafted presentation by William Watt (2007), Director of the Environmental and Planning Services Directorate at the council suggested there was no significant difference between the outcomes in Our Way Southland and those identified by Manukau City Council.

<table>
<thead>
<tr>
<th>Manukau</th>
<th>Our Way Southland</th>
</tr>
</thead>
<tbody>
<tr>
<td>All citizens need to be able to enjoy a good quality of life, to feel able to work with others, and to give something back to their community. Quality of life is dependent on many factors – physical, social and spiritual – but fundamental is the need for people to feel healthy, safe and secure within themselves, with their families and with their communities. This means that they need an adequate income, good quality yet affordable housing, safe living conditions, and access to services</td>
<td>Outcome: We are a healthy people.</td>
</tr>
<tr>
<td>Intermediate Outcomes:</td>
<td></td>
</tr>
<tr>
<td>▪ We are able to live healthy lifestyles</td>
<td></td>
</tr>
<tr>
<td>▪ We have good quality, affordable housing</td>
<td></td>
</tr>
<tr>
<td>▪ We live in a compassionate, caring community</td>
<td></td>
</tr>
<tr>
<td>▪ We have equity of access to health services</td>
<td></td>
</tr>
</tbody>
</table>

46. Watt (2007 p.7) suggests that what was required as part of this process, was debate on those areas of concern or deficiency and what strategies stakeholders had to remedy the situation. Debate about the deficits or needs of the community should be the drivers for change, and a pathway to achieving the high level goals will emerge from this type of the consultation. The council seems to regard the community outcomes (as presented in Our Way Southland) as high level outcomes only, and not a pathway from which the community can gain aspiration.

47. Those self-positioned exponents (both council and community stakeholders) of community development frameworks generally agreed with this model, but stressed that it is through the process of consultation that activities are identified and stakeholders begin to take ownership of the issues. These exponents also noted that stakeholders had difficulties in buying into outcomes that they perceived to be academic in their level - that is, not reflecting every-day practical realities, and because they were uncertain how the outcomes would apply to the local government context they saw themselves operating within.

Utility of the ratified community outcome plan

48. Because the community outcomes process focused on the Southland region as a whole, participants considered this resulted in a loss of the unique issues faced by the various towns and communities within the region. The lack of specificity was seen to preclude a council’s ability to prioritise the outcomes. A working party member observed that "we did it that way so councillors’ would not feel as though they were being forced into a particular way.”

Four wellbeings

49. The four well-beings were not seen by those interviewed to underpin the development of Our Way Southland. Rather the process adopted was based on a ‘blank canvas’ approach to consultation. The decision not to use the well-beings to specifically facilitate the process was taken because the well-beings (as indicated in the Act) were regarded as something only local government needed to address, whereas the community outcomes were seen to be broader (although in essence they look to achieve similar objectives).
Monitoring

50. Delays in establishing and operationalising a monitoring framework were attributed to a lack of resources and staff attrition.

51. The regions four local authorities recently hired a Community Outcomes Regional Coordinator tasked with the establishment of an outcomes monitoring system, and producing the first monitoring report. Having a dedicated monitoring and reporting programme will also add value to the next Community Outcome Process in 2011, by ensuring that indicators are measurable, meaningful and relevant to the council, stakeholders and the wider community.

Impact of community outcomes

52. It has been difficult to gauge the overall impact of the community outcomes process or Our Way Southland. Participants related that Our Way Southland was not seen to be operating widely as a reference document. However, council officers stated that there have been some incremental changes within council, and that some council officers and councillors were now referring to Community Outcomes when assessing the viability of new project. A council officer observed that “It [the community outcomes process] has started to change the way we think as an organisation. When we start a new activity people are beginning to ask what about the outcomes? What about the LTCCP?”

53. Some improvement in interfacing between stakeholders was attributed to the community outcomes process. The recent Alcohol Accord was cited as an example of what has been achieved. However, the actual impact of the community outcomes process was still regarded as debatable, with some participants questioning the need for a formal community outcomes process when there were historical ways of interfacing between community stakeholders and council. The majority of participants referenced existing joined-up approaches to project and plan development. For example in the 1990s, a major driver for change had been the development and maintenance of an economic critical mass. From this collaborative vision had arisen the Southland Institute of Technology’s zero fees scheme and an additional freezing works.

54. Invercargill’s low population density and geographical isolation meant that council staff and, particularly, councillors had extensive community-based networks. Because of these networks many councillors strongly believe they are already aware of the needs of their community. Participants could not categorically state that the community outcomes process was solely responsible for these types of changes.

Reflections of Invercargill City Council’s implementation against the legislative intent

55. The table below summarises the legislative intent and Invercargill City Council’s implementation of the mandated Community Outcomes process. In reviewing the table, it needs to be acknowledged that only one formal round of Community Outcomes has been held, and therefore there were lessons to be learned and new processes to be developed. This development is likely to continue over time.

<table>
<thead>
<tr>
<th>Legislative Intent</th>
<th>Invercargill City Council’s Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Process to identify other organisations and groups capable of influencing either the identification or the promotion of community outcomes</td>
<td>Identified key stakeholders at outset of process and involved them in early goal-setting exercises (see Appendix One).</td>
</tr>
<tr>
<td>Processes to encourage the community to contribute</td>
<td>Targeted focus groups to ensure a wide representation of stakeholders. Widespread publicity on submission process. Mailbox drop of the summarised version. Telephone survey to obtain feedback on the draft outcomes.</td>
</tr>
<tr>
<td>Identify community outcomes for the intermediate and long-term future of the district</td>
<td>Identified seven Community Outcomes with associated activities and activity.</td>
</tr>
</tbody>
</table>

6 For example, the Shared Services Forum had been in operation since 2000.
<table>
<thead>
<tr>
<th>Legislative Intent</th>
<th>Invercargill City Council’s Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>or region</td>
<td>leaders linked to intermediate and long-term future of the district (see Appendix Two)</td>
</tr>
<tr>
<td>Long-term focus for the decisions and activities of the local authority</td>
<td>Community outcomes are linked and referenced in council’s long-term planning documents. High level visionary statements, difficult to use for strategic direction</td>
</tr>
<tr>
<td>Guide priorities for activities undertaken by local authorities and other organisations</td>
<td>No prioritisation of community outcomes by council or community</td>
</tr>
<tr>
<td>Community having ownership of the identified outcomes</td>
<td>No apparent community ownership of community outcome. Ownership perceived to lie with the council</td>
</tr>
<tr>
<td>Greater accountability between local authorities and their communities</td>
<td>Little evidence</td>
</tr>
<tr>
<td>Promote better co-ordination and application of community resource</td>
<td>Too early to see effect</td>
</tr>
<tr>
<td></td>
<td>Relationship among iwi and territorial authorities already well developed</td>
</tr>
</tbody>
</table>

### Strategic Planning (LTCCP)

#### Legislative intent

“The LTCCP describes the community outcomes and priorities and the activities the local authority will undertake to contribute to the outcomes. The plan is designed to integrate decision-making and include information on the key policies of the local authority. It also describes linkages between activities and how they are funded.”

*Included in the LTCCP are financial reporting requirements. Significant examples of this include making “adequate and effective provision for expenditure” by showing estimates for the next ten years of the council’s activities. The LTCCP includes statements of service performance and shows from what sources of council revenue they will be funded. An LTCCP is auditable as are any amendments to it. The Annual Plan reports a council’s progress to the LTCCP.*

*An authority must consult its “wider communities” over its LTCCP. The Act states that the authority must use a Special Consultative Procedure (SCP) to consult, although a council can use other consultation methods in addition to this.*

### Invercargill City Council’s LTCCP - response to the legislation

56. Council officers generally perceived the LTCCP process to have been a hurried compliance exercise that subsequently had received a qualified rating from the Auditor General (Invercargill City Council, June 2006). The audit found that the LTCCP “did not fulfil its statutory purposes and was ‘not fit for purpose’.”

The audit identified the LTCCP as not providing a reasonable basis for long-term integrated decision-making by the City Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the city council. The basis for this determination is

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detailed in a six-page report prepared by Audit New Zealand. Some key points from that document are summarised below:

- It contains forecast information across a range of council activities that could be misleading “because, in some instances, the forecast information that is inconsistent with underlying information, or based on inadequate underlying information.”

- Because of the poor forecast information, the council did not demonstrate that it is “managing its revenues, expenses, assets and liabilities, investments and general financial dealings prudently” and that promotes the Community’s current and future interests, as required by the Act.

- The Council had not prepared a policy in its LTCCP on development contributions, as required by the Act.

- The Council did not meet the requirements of the Act’s Schedule 10:
  - that there be disclosures on how maintenance, renewal and replacement of assets will be undertaken; and,
  - that disclosure of estimated costs caused by to demand and service levels.

- It was determined that the “financial information has not been presented in accordance with generally accepted accounting practice in New Zealand” because the council had not prepared its forecast information based on the best information currently available.

- The “City Council’s service levels, and their relationship with performance measures and forecast expenditure across the range of the City Council’s activities, are not clearly expressed within the LTCCP.” This “did not reflect good practice in having forecast information and performance measures inform ‘meaningful assessment of the actual levels of service provision’.”

- The council’s summary of the draft 2006-2015 LTCCP that was put out to consultation, via a Special Consultative Procedure, with the Invercargill community was considered to not be “a fair representation of the major matters in the draft LTCCP.” Although the draft plan said that it had been audited, it did not mention that this audit opinion was qualified or explain the reasons for this qualified opinion.”

Invercargill City Council’s LTCCP development process

57. The development of the LTCCP adopted the following process:

- Prior to the LTCCP process (in 2005), senior managers attended seminars facilitated by a consultancy company (MWH) on the development of activity templates

- A Working Party of council officers was formed to drive the development of the LTCCP. The Working Party was chaired by a senior manager

- Twenty-five activity plans were developed by activity managers. Individual managers determined which outcomes were relevant to their activities and this was peer reviewed by their supervisor and the LTCCP Working Party.

- Ten activity-focused workshops were held with councillors. These workshops aimed to assess the alignment of the 25 activities with elected officials perceptions. As a result of these workshops no significant changes were required.

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The draft LTCCP was subsequently ratified by Council resolution.

58. In consultation with the Communications Managers, the following approach to consultation was adopted by the council for the draft LTCCP, with material presented on:

- Invercargill City Council’s website
- Advertisements in the newspapers asking for submissions
- Television and talk back radio
- Copies placed in local libraries
- The local iwi authority's review and comment as per the established contractual relationship between the iwi authority and the Council.

59. The consultation period ran for five weeks. 59 written submissions were made, with approximately 80 percent coming from first-time submitters.

60. Community consultation related to the LTCCP was not perceived to be widespread. Council officers observed:

“It [approach to consultation on the LTCCP] was based on the premise that we understood what the community wanted in terms of service levels. Also the community had been over consulted and we didn’t want to place unnecessary burden.

“We tried but the community was tired. There were no new issues; no huge projects. Life was normal.”

61. Stakeholders also reported there was a lack of proactive engagement with historically identified community groups and stakeholders, “we weren’t consulted on a direct basis. We asked for draft plans but nothing was forthcoming. We had to make a second request and then we received a summary document”

**LTCCP benefits**

62. Few comments related to the benefits of the LTCCP were elicited, with these being from council officers only. Community representatives were generally unaware of the LTCCP process and had little or no knowledge of the final plan, and some councillors interviewed did not see the benefit of long-term planning.

**Short-term benefits**

63. The most significant short-term benefit was the opportunity for council staff to work together. Rather than departments working in isolation as has tended to be the case in the past, preparation of the LTCCP required some cross-department cooperation and coordination. As a result, silos were broken down and a sense of energy was created across the organisation.

64. A second benefit identified by participants was the opportunity to formally document procedures and activity plans. Historically, a great deal of [institutional] knowledge has been unwritten. The new documentation for the LTCCP was seen to contribute to better cross-council understanding, improved organisational efficiency and succession planning.

**Intermediate-term benefits**

65. The impact of the Auditor General’s qualified audit for the 2006 LTCCP was reported as having resulted in a greater commitment to the LTCCP process. Senior managers and councillors were now more aware of the intentions of the LTCCP which has resulted in a growing level of awareness of the importance of long-term planning as a reflection of good management. A councillor and two council officers reported that a greater understanding of the four well-beings has also helped some councillors adopt a more holistic view of community needs, rather than a previous focus on “roads, rubbish and rates”.

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Prepared for The Department of Internal Affairs by Litmus Consultants
LTCCP issues

66. As previously discussed, the participants interviewed tended to view the LTCCP as a hurried compliance exercise. The process was described as hurried, because it took a substantial amount of time for councillors and senior staff to engage and buy into the process, and this left insufficient amount of time to redraft the LTCCP. As a consequence, the council received a qualified audit opinion from the Auditor General.

67. While officers realised the LTCCP process could have been improved, they generally felt that an audit from the Office of the Auditor General was an inappropriate mechanism to judge adherence to the legislative requirements. They suggested that a peer review process would be much more informative for them. The use of auditors the council officers perceive as trained to focus on financial reporting and quantifiable variables was questioned in the light of the amount of non-financial information required, as was their understanding of the legislation in the context of local government operations. This issue is discussed further in the Cross-Case Analysis report, and readers are referred to that document for a response to this perception from the Auditor General.

68. Council officers identified a number of reasons for the process they adopted for the LTCCP. Most significant was the considerable resistance from some councillors and senior managers to the requirement for an LTCCP, which was seen by some councillors as an unnecessary bureaucratic requirement and an unnecessary intrusion on the part of central government.

69. A councillor interviewed considered the LTCCP processes to be a significant “waste of time” as, in his view there are too many financial and wider environmental factors that can impact on long-term planning and this means the long-term plan has to be either amended or altered entirely. Some of these types of reactions were attributed to the perceived irrelevance of the process for day-to-day business, together with a lack of available resources to adequately meet the legislative requirements. “In hindsight, a lack of buy-in in certain areas and a lack of resources led us in Invercargill City to a frantic process of trying to meet the procedure of the LTCCP and to some extent missing the point” (William Watt, 2007, p. 8).

70. Communities were also seen as being difficult to engage as they had been “consulted to death” over the community outcomes process.

71. Finally, officers considered there was not sufficient guidance and support from central government. In particular, there was considerable confusion over definitions of community outcomes and well-beings and how these related to the LTCCP. This was further complicated by confusion over those community outcomes that fall outside of Council’s responsibility.

72. Because the council’s process was hurried, the LTCCP was not perceived to be a dynamic umbrella document. Community Outcomes were generally “slotted” into the LTCCP. An officer considered that the “Council’s LTCCP is, at the moment, about what we currently do repackaged according to community outcomes.”

Impact of the LTCCP

73. Community stakeholder participants generally felt that while the LTCCP provided an outline of the Council’s 10-year plan, it was a “broad based document that failed to provide a specific roadmap”. These Participants tended to perceive the yearly Annual Plan as a more dynamic and informative document and indicated they preferred referring to this when consulting with the council. This appears to be unusual given that since the introduction of the Act the Annual Plan is, according to an auditor, intended to be a “slice” of the larger LTCCP that comments on variations to, or progress against, that larger planning document.

Improved LTCCP Process

74. As a result of the qualified audit, participants considered there was now a council wide commitment to the LTCCP process. This commitment has resulted in the following:

- A commitment by officers and councillors to understand the process and the desired outcome
- Established roles for officers and councillors to ensure clarity of input and consistency of process
• Established timetables to guide the LTCCP process
• The use of a senior council officer to provide support to each council department to ensure a consistency of process and reporting
• An established community consultation plan that will ensure focused and timely consultation

75. In addition a Community Outcomes Regional Coordinator position has been created to ensure an individual council’s community outcome reporting requirements remain integrated with the Our Way Southland initiatives. The Coordinator is required to maintain regular contact with staff associated with the LTCCP and community activities. Council officers observed:

“Next time it [the LTCCP] needs to be about thinking about what we do and whether these are the best ways/priorities to deliver on or head towards community outcomes. “Next time we need to get elected members thinking about whether we as a Council are on the right track. At the moment we do a bit of everything we are required to do. Everything is on an even footing.”

Engagement and Consultation

76. The Council has also recognised the need to rethink its approach to consultation to ensure it has a focused consultation process that will not over burden community stakeholders. Two primary engagement and consultation exercises have therefore been implemented to feed into the next LTCCP process. Firstly, the annual plan process is being used as a way for community stakeholders to indicate important community initiatives, with respondents asked if they want to be consulted on the issues they identified. Secondly, Council recently embarked on a level of service postal survey with a sample of 3000 community-based participants.10

**Invercargill City Council’s LTCCP against legislative intent**

77. The table below summarises the legislative intent of the Act regarding the LTCCP and Invercargill City Council’s implementation of that requirements. This table refers to Our Way – Invercargill Long Term Council Community Plan (LTCCP) prepared by Invercargill City Council, which was the first full LTCCP required under the new Act.

<table>
<thead>
<tr>
<th>Legislative intent</th>
<th>Invercargill City Council’s response</th>
</tr>
</thead>
<tbody>
<tr>
<td>LTCCP describes Community Outcomes and shows local authorities contribution to them</td>
<td>The LTCCP lists 25 activity statements and relevant community outcomes are positioned under each activity. In this regard, the Community Outcomes are matched to council functions. The community outcomes are of a high level and there is little apparent operational applicability or link in the LTCCP between the outcome and the activity</td>
</tr>
<tr>
<td>“Wider community” is consulted on the LTCCP</td>
<td>A limited consultation process was used that was noted as unsatisfactory by the Auditor General</td>
</tr>
<tr>
<td>LTCCP is auditable and meets important financial reporting requirements.</td>
<td>The LTCCP received a qualified audit opinion from the Auditor General (see page 13)</td>
</tr>
</tbody>
</table>

78. In summary, Invercargill City Council undertook the LTCCP process with an insufficient level of buy-in from some senior managers and councillors. Despite the qualified audit a number of positive outcomes were identified by participants and there appears to be commitment to ensuring the upcoming LTCCP process and document LTCCP are undertaken to a high standard.

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10 The Level of Service survey is a three year project. Monitoring levels of service is undertaken annually and recorded in the Annual Report
Council Decision-Making

Legislative intent

“The Act requires local authorities to be more rigorous in their decision-making [than prior to the new Act] by identifying all reasonably practicable options for achieving the objective of a decision and assessing those options by considering the benefits and costs in terms of the present and future well-being of the community, and the extent to which community outcomes would be promoted. Depending on the significance, local authorities are also required to consider the impact of each option on their capacity to meet present and future needs in relation to their statutory responsibilities.”

Local authorities must be rigorous in their decision-making by identifying all practicable options for achieving an objective or resolving a problem. The costs and benefits of these options have to be evaluated against the achievement of the Community Outcomes and the present and future well-being of the community.

When making a decision a local authority must consider if consultation of “interested and affected parties” is required. The authority must undertake that consultation in accordance with certain principles, which broadly speaking, require the authority to:

- provide easy-to-understand summaries of proposals and plans (such as the LTCCP);
- identify who will be affected by decisions and encourage them to make their views known to the council – councils also must give reasons for their decisions;
- find out what all the practical options are for dealing with issues and carefully assess them.

A local authority has discretion in deciding how it interprets and meets the decision-making requirements of the Act. This discretion can be applied in terms of the significance of the decision. A council must develop a policy on significance that indicates what triggers must occur before undertaking a decision (although a council is not prevented from undertaking analysis or consulting on a decision that does not trigger this policy).

The Act also places requirements on council’s to involve Māori in their decision-making (especially regarding land and water), and to consider ways to foster Māori contribution to their decision-making processes.¹¹

Invercargill City Council’s approach to decision-making

79. Participants were not able to identify any significant shifts in decision-making they could directly link to the introduction of the Act. They think that the Council had continued to consult on issues that are viewed as financially and politically sensitive and/or those that are intuitively important to do so.

80. The Policy on Significance, introduced by the Act was seen to be a possible important document to support future consultation and community engagement. However, officers and more community development-minded councillors considered that the importance of the Policy on Significance was overshadowed by that fact that council had historically engaged in community consultation. These participants therefore did not see the need for the policy. This view was especially evident amongst those who believed that it was the role of the councillor to make decisions on behalf of the community.

Community engagement in the decision-making process

81. All participants indicated that there had been no direct shifts in the decision-making process related to either the community outcomes process or the LTCCP. Public participation in decision-making processes was seen to be demonstrated through consultation around the ‘important’ topic areas

indicated in the council’s Policy on Significance. However, this policy was viewed as a formalisation of previously established approaches to community consultation.

82. Council officers appeared to be knowledgeable about the Act’s provision around decision-making, and generally viewed decision-making components as a way to ensure active community participation. Officers also viewed the Act as a shift away from representative democracy to participatory democracy – viewing elected officials’ role as one of managing a process of decision-making (Watt, 2007).

83. One councillor interviewed, who aligned themselves to a community development framework, was wholly supportive of this perceived shift in decision-making. The other councillor expressed a high degree of resistance as they felt a councillor’s role was to make decisions on behalf of their community. This latter position was reinforced by the councillor’s extensive community networks and belief there was no need to consult widely because they considered they had a high awareness of the community’s wants and/or needs, “I’m extremely well known. I can’t walk down the street without someone stopping me and giving me their opinion on some matter”.

84. Community stakeholders interviewed seemed to have a low level of awareness of the specific intents of the Act around decision making, and reported they had a relatively high degree of satisfaction with making their perspectives known to council officials and councillors, “The Mayor and the Chief Executive have an open door. If I have something I need to discuss then I simply make an appointment and see them”. Despite the ease of face-to-face engagement with Council, this same participant said his organisation rarely made submissions to the council as there was a perception that councillors had predetermined the outcome prior to opening up the submission process.

**Decision-making in the new Act – Benefits**

85. No specific benefits around decision-making were identified by participants that could be directly tied to the Act. A number of changes were linked to the qualified audit opinion received by the council in 2006, and these are addressed below under “Impacts of the new Act on Decision-Making”.

**Decision-making in the new Act – Issues**

Lack of consensus over role of decision-making

86. The advent of the new Act was perceived to have signalled a shift to participatory democracy. This view was held by participants who considered that given their elected responsibility to make decisions on behalf of their constituents, the decision-making requirements under the Act were time consuming, expensive and unnecessary. While this dichotomy remains in the minds of some participants, others noted there was a growing appreciation for council decisions that include community consultation and for this to be aligned to decision-making under the Act.

Pre-determination of decisions

87. Some community-based stakeholders were wary of making submissions as a result of previous experiences and a belief that many of the decisions made by the council are predetermined. This feeling links back to a belief by some community stakeholders that some councillors are making decisions on the basis of their own opinion, and not as a result of understanding the needs and attitudes of the community.

**Iwi Authority**

88. The four Southland territorial authorities established and signed the charter of understanding, He Huaraahi mo Nga Uri Whakatupu (A Pathway for the Generations Coming Through), between the four councils and Te Ao Marama Incorporated. The charter of understanding was revised to incorporate the wider responsibilities under the Local Government Act 2002 through Te Roopu Taiao, the Iwi – Council representative group (a management group made up of elected representatives from the councils and representatives of the four Runanga. The charter identifies the process by which Te Ao Marama, through Te Roopu Taiao hui, will assist councils with nga mātāwaka living in te takiwa o Murihuku.

89. While Te Ao Marama and Council related a high degree of satisfaction with this relationship, concern was raised that while the Iwi Authority may be in a position to comment on submissions, this does not ensure that non-mana whenua, in general, are consulted.
Impacts of the new Act on decision-making and future trends

90. As previously discussed, the LTCCP process had been difficult because of a lack of buy-in from some senior managers and councillors. While the qualified audit opinion resulted in a considerable amount of embarrassment, a positive outcome was a council wide determination to gain a positive future audit. In relation to decision-making, this determination has been manifested to date through two mechanisms that focus on future consultation and engagement strategies. These include:

- Undertaking Level of Service surveys (a three year project).\(^{12}\)
- Recent Annual Plans have identified a number of significant projects or issues that Council would value submissions on. The community is willing to respond on an issue-by-issue basis but struggles with commenting meaningfully on an Annual Plan in its entirety.

Invercargill City Council’s decision-making against legislative intent

91. It is difficult to judge how the Act has been applied within a particular council without examining every decision made by a council – which is outside the scope of this report. Below are three intents of the Act’s section on decision-making that this report can evaluate.

<table>
<thead>
<tr>
<th>Legislative intent</th>
<th>Invercargill City Council’s response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve community involvement in council Decision-Making</td>
<td>Invercargill City Council has implemented focused stakeholder/engagement strategies to ensure consultation takes place that does not overburden respondents</td>
</tr>
<tr>
<td>Council decisions will be more strategic (including a longer-term focus) in nature</td>
<td>Invercargill City Council officers and some councillors have stated a commitment to producing a LTCCP of a high quality that meets the Act’s decision-making requirements in the future</td>
</tr>
<tr>
<td>Involve Māori in decision-making and help develop Māori capacity to contribute to council decisions</td>
<td>Council has had a long-standing relationship with Ngai Tahu and has formalised a consultative relationship under the Resource Management Act and more recently the Local Government Act.</td>
</tr>
</tbody>
</table>

\(^{12}\) Note, Council has carried out satisfaction surveys in the past. The Level of Service surveys differs in that satisfaction surveys do not provide levels of service data –only a level of satisfaction.
Conclusions

Community Outcomes

92. Our Way Southland carried out a comprehensive community outcomes consultation exercise across the region. It was seen to be successful in that diverse communities participated in the process and each of the four participating authorities were able to gain a better appreciation of each others roles and responsibilities. At the same time developing outcomes for a large geographical area was seen to result in a potential loss of understanding of the unique issues faced by towns and communities within the various councils across the region.

93. Concern was also raised that there was a lack of community buy-in into the final product. The high level nature of the outcomes resulted in community groups’, stakeholders’ and council finding it difficult to identify how they can each contribute to them.

94. A primary lesson arising out of the outcome process is that rather than concentrating on high level community outcomes in the future, the process should now look at how outcomes might be achieved. This would appear to match the developments in other councils in linking broad Community Outcome statement directly to local issues. The consultation process should therefore focus on identifying significant stakeholder and community group issues and developing specific actions to achieve those desired outcomes.

LTCCP

95. The LTCCP process was regarded as a hurried compliance exercise. This was attributed to difficulties in getting some councillors and senior staff to engage in and buy-into the process. There was also the perception of a high degree of community apathy towards consultation (having been “consulted to death”), resulting in a less than extensive consultation process.

96. Although officers realised that the LTCCP process could have been improved they generally felt that an audit from the Office of the Auditor General was an inappropriate mechanism to judge adherence to the legislative requirements. They suggest a peer review process may be more informative and cost efficient.

97. Despite receiving a qualified audit opinion, a number of positive outcomes have resulted. Councillors and council staff appear to have a greater commitment to the LTCCP process and to completing the next LTCCP to a high standard.

Decision-making

98. No significant shifts in decision-making were seen to be directly linked to Act. Rather, it appears that Council has continued to consult on issues that they viewed as financially and politically sensitive and/or intuitively important to do so. There was some concern that the Act had introduced a requirement for participative democracy, which was seen to conflict with the views of some councillors that their role was to make decisions on behalf of their community.
References


Appendix One: Key Stakeholders Identified as an outcome of the Community Outcomes Process

As an outcome of the Community Outcomes Process the following stakeholders, agencies and community groups were identified.

1. Accident Compensation Corporation
2. Age Concern
3. Alliance Group
4. Automobile Association
5. Awarua Health & Social Services
6. Business
7. Careers Service
8. Child, Youth and Family
9. Citizens Advice Bureau
10. Civil Defence
11. Community Boards
12. Community Employment Group
13. Community Trust of Southland
14. Department for Courts
15. Department of Conservation
16. Department of Corrections
17. Department of Internal Affairs
18. Department of Labour
19. Disabled Person’s Assembly (DPA)
20. Eastern Southland Art Gallery
21. Education Review Office
22. Environment Southland
23. Family Planning
24. Family Start
25. Federated Farmers
26. Fire Service
27. Fish & Game (Southland)
28. Fonterra – Edendale
29. Forest and Bird Society
30. Forestry Institute of NZ
31. General Practitioners Association
32. Gore Community Connections
33. Gore District Council
34. Enterprise Hokitika
35. Okarito Community Association
36. Whatarea Community Association
37. Kumara Community Association
38. Blue Spur.Com Westland Arts Development Group Ministry of Education
39. Ministry of Fisheries
40. Ministry of Health
41. Ministry of Social Development
42. Ministry of Youth Affairs
43. Motel Association NZ
44. Ngai Tahu
45. NZ Police
46. NZ Trade & Enterprise
47. NZCCS Southland
48. Occupational Health & Safety
49. Playcentre Association
50. Plunket Society
51. Presbyterian Support Services
52. Primary Health Organisations
53. Public Health South
54. Queen Elizabeth II National Trust
55. Ratepayers’ Associations
56. Road Safe South
57. Safer City
58. Salvation Army
59. Schools & Boards of Trustees
60. South Port
61. Southern Cross Hospital
62. Southern Group Training Trust
63. Southern Institute of Technology
64. Southern REAP
65. Southland Kindergarten Association

13 http://www.southlanddc.govt.nz/shadomx/apps/fms/fmsdownload.cfm?file_uid=228305F5-DBD7-413C-1E4E-E6EA7D719AF6&siteName=sdc_shadomx
34. Gore Health Ltd
35. Grey Power Southland
36. Group Special Education
37. Historic Places Trust
38. Housing New Zealand
39. Idea Services
40. Invercargill Airport Ltd
41. Invercargill City Council
42. Invercargill Community Patrol
43. Invercargill Hospital
44. Invercargill Licensing Trust
45. Land Transport NZ
46. Landcare Trust
47. Libraries
48. Mataura Licensing Trust
49. Medical Officer of Health
50. Members of Parliament
51. Midwives Association
52. Ministers Group
53. Ministry for the Environment
54. Ministry of Agriculture & Forestry
55. Ross Community Association
56. Fox Glacier Community Council
57. Franz Josef Community Council
58. Glacier Country Tourism Group
59. Haast Promotions Group
60. Harihari Community Association
93. Southland Building Society
94. Southland Chamber of Commerce
95. Southland Community College
96. Southland Community Law Centre
97. Southland Conservation Board
98. Southland District Council
99. Southland District Health Board
100. Southland District Law Society
101. Southland Museum & Art Gallery
102. Southland Principals’ Associations
103. Southland Regional Support Group
104. Sport Southland
105. St John Ambulance
106. Stadium Southland Trust
107. Strengthening Families
108. Te Ao Marama
109. Te Puni Kokiri
110. Tenancy Services
111. The Southland Times
112. Tiwai Point Aluminium Smelter
113. Transit NZ
114. Venture Southland
115. Vibrant Invercargill
116. Victim Support
117. Work and Income
118. YMCA
119. Youth Offending Team
Appendix Two: Our Way Southland’s Seven Community Outcomes

1. Southland is a great place to live
2. A diverse economy built from our strengths for growth and prosperity
3. Safe places in a caring society that is free from crime
4. We are healthy people
5. Strong, effective leadership taking us into the future
6. A treasured environment which we care for and which supports us now and into the future
7. A well educated and skilled community continually seeking further opportunities to learn.

14 Reference see http://www.southlanddc.govt.nz/shadomx/apps/fms/fmdownload.cfm?file_uuid=228305F5-DBD7-413C-1E4E-E6EA7D719AF8&siteName=sdc_shadomx