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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 Otago Regional 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.

**Otago Regional Council case study specifics**

12. The case study of the Otago Regional Council was undertaken 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. This case study report was prepared from the review of key documents and interviews with key informants listed below.

13. Documents reviewed:

   - Otago Regional Council. Feedback Form Community Outcomes (2005)
   - Otago Regional Council. Otago Regional Council Land Transport Strategy 2005
14. Key informants interviewed:

- Three council officers
- One councillor
- One councillor from local authority
- Five community representatives
- Two business representatives
- One member of the Rūnanga.

15. Those interviewed were identified by council officers as knowledgeable about one or all of the three elements being examined in the case. They were recruited to the case study by staff from Otago Regional Council. Face-to-face interviews were conducted by staff from Litmus during March 2008. Interviews lasted around one hour, and were digitally recorded. On request, interview notes were made available for review by participants.

16. 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

17. The information and data available to address the evaluation objectives are qualitative in nature. Interviews were conducted with a limited range of informants who agreed to participate. Litmus has undertaken 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.

18. 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 Otago Regional 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

19. 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 Otago Regional Council for assisting us in recruiting key informants and those who reviewed the draft case study.
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.3

Background to Otago Regional Council

20. Otago Regional Council’s role is to promote the sustainable management of the natural and physical resources for the benefit of present and future generations of the Otago region. As caretakers of land, air and water, The Council monitors their environment and where appropriate, limits or controls the use of resources. The Council plans and liaises with the community to create sustainable resource management policies and priorities, to administer programmes to control declared pests and noxious plants, to construct and maintain catchment protection works, and to carry out environmental education programmes. Appendix One summarises the principal legislation for Otago Regional Council.

Otago Regional Council community outcomes process: Response to the legislation

21. In 2005, Otago Regional Council established a sub-committee to decide the Council’s response to the introduction of the community outcomes process. The sub-committee was aware that city and district councils in the Otago region had already undertaken various forms of community outcomes processes. The debate ensued about whether or not Otago Regional Council’s outcomes would be the sum of the other council’s community outcomes. Following deliberation, the decision was made by the sub-committee that the Otago Regional Council would undertake a regionally focused community outcomes process.

22. As one council officer explained, “it wasn’t just a matter of taking the territorials’ [community outcomes] and averaging them and saying that's the region views. The region is an entity and has an identity in its own right.” This decision to undertake its own outcomes process was further reinforced by the Council noting that it also had responsibilities under a number of statutes (e.g. the Resource Management Act) that demonstrates a Regional Council’s role is different from that of a territorial council’s.

Otago Regional Council’s 2005 Community Outcomes Process

23. In 2005, Otago Regional Council commenced a process to identify community outcomes for the intermediate and long-term future for the region. To ensure political buy-in and importantly to offer communities direct access to their councillors, the process was led by the councillors, supported by council officers. The councillors were involved in the design of the process, fronting and interacting at workshops, reviewing community feedback, (both verbal and written), and developing the draft community outcomes. Council officers took a supportive and administrative role, especially when engaging with the community.

Identifying the community outcomes process

24. Otago Regional Council defined their process to develop regional community outcomes through reviewing other councils’ processes. A council officer thought that the community outcomes process was new, and therefore they felt that “like everyone else we were blindly going where no one else had gone before”. Following the review of other councils’ community outcomes process, the Council adopted to undertake a multiple layered and staged process which involved both targeted and community-wide engagement.

Engaging with the community and stakeholders

25. Initially the Otago Regional Council developed a two-page brightly coloured document Our Otago – Our Future and a Feedback Form to create awareness and stimulate community involvement in the community outcomes process. The latter document acknowledged that the city and district councils had already sought community input and consultation fatigue was a real risk.

26. Our Otago – Our Future (the flyer) briefly explained its purpose of getting people’s input into defining regional community outcomes that would describe a vision for the Otago Region. Both the flyer and the feedback form focused the community on the social, economic, environmental and cultural attributes important to them in achieving a positive future for Otago. Using the four wellbeings as a frame reflected the council’s decision not to go to the community with a “clean slate”. A council officer explained the intent was to “try to spark people’s imagination with photographs and positive words for the future”.

27. Our Otago – Our Future invited people to contribute in two ways; by completing the feedback form, and/or attending one of six community workshops being held at Alexandra, Balclutha, Dunedin, Oamaru, Queenstown and Wanaka. The flyer also detailed next steps of community feedback being incorporated into a consultation draft vision for the Otago community, and eventually the final outcomes being used in the preparation of the LTCCP.

28. The Council identified targeted interested groups and stakeholders by going through their mailing lists, public notices and brainstorming people the council had dealings with in the past. The Council also identified interested people in the areas where the workshops were located; using the four wellbeings as a key focus for this search. Otago Regional Council wanted a cross-section of their communities to participate in the process including residential, farmers, business and community groups, territorial authorities and central government agencies.

29. Once the list was prepared Otago Regional Council distributed the flyer and feedback form with a letter requesting community and key stakeholders’ input. Our Otago – Our Future and the community outcomes consultation process were also advertised in the Otago Daily Times, and made available in libraries and other community places.

30. Overall, the Council was pleased with the response (both in attendance at the workshops and the number of completed feedback forms received). The Council also felt a good cross-section of interested and affected members of the community attended the workshops; especially those with an interest in waste, recycling, transport and farming.

31. The council received 35 feedback forms.

Developing and consulting the community outcomes

4 Our Otago – Our Future and the Feedback Form is in Appendix Two.
32. Following review of the feedback received, the sub-committee developed the draft community outcomes, which were put out for public consultation in the colour newsletter, *Our Otago- Our Future: Community Vision for the Otago Region*. The newsletter was distributed widely using the community and key stakeholder mailing lists developed through the initial rounds. The Council received around 150 submissions on the draft community outcomes, exceeding the number of submissions normally received on Draft Annual Plans from 50 to 100\(^5\).

33. The sub-committee spent many days analysing community feedback to get to the final expressions of the community outcomes. Consequently, the draft community outcomes moved quite some distance in response to the submissions. In the end, six broad community outcomes were identified and clear actions to achieve these desired outcomes were developed.

34. Once finalised, the community outcomes were sent for full council sign off. The six community outcomes are:

- Sustainable use of resources for prosperity in Otago
- Diverse landscapes that say Otago
- Easy and efficient ways to get around Otago
- People living well in healthy Otago communities
- Otago’s values it’s heritage
- Knowledge and learning for prosperity in Otago.

**Prioritisation of community outcomes**

35. Otago Regional Council decided not to prioritise the community outcomes as the outcomes were perceived to be directional and interlinked statements and not targets. A council officer explained, "they are not statements that lay themselves open to prioritisation particularly well and if you did it would be an arbitrary exercise... 'Yes we will have a really well educated community and a vibrant cultural diversity but we will change the landscape in achieving that'.

36. Both councillors and council staff spent much time revising the outcomes to be specific enough to be understood, but not so prescriptive they locked the community into a position where they had to trade-off against the outcomes.

37. In this context, community outcomes were perceived by council officers and councillors to be statements of value and direction. However, one councillor commented they are not necessarily strategic in nature. The councillor likened the community outcomes to "a roadmap in the back of your mind", not necessarily referred to, but there if needed and linked to directions being taken. The example was given of a recent community-based strategic planning workshop that focused on what was needed to be achieved in that community over the next three years. The community outcomes were not directly referred at the workshop, but the end outputs could be linked to them.

**Links to LTCCP and other Council documents**

38. Otago Regional Council’s LTCCP (2006/16 pg9-12) contains a table for each community outcome which details key actions and measures and how the Council contributes to the actions.

39. In essence, the community outcomes flow through Council documents such as the LTCPP and Annual Plan into council activities and programmes. The community outcomes are used as the frame for council activities in the Annual Plan. In the 2007/08 Annual Plan (2007, p23), for example, under the community outcome activities: water there is listed the three relating community outcomes of: Sustainable use of resources for prosperity in Otago; Diverse landscapes that say Otago; Knowledge and learning for prosperity in Otago. This is followed by a detailed description about the role of water in Otago and the Council’s plan for 2007/08 listing objectives, performance targets and costs.

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\(^5\) This number of submissions assumes there are no significant issues of interest to the community being debated eg the stadium.
Monitoring of community outcomes

40. Otago Regional Council monitors community outcomes that align with their activities through their standard performance measurements for these activities.

Community outcomes benefits

41. In the main, council officers, councillors and stakeholders perceived the community outcomes as having added little new value to Otago Regional Council. In essence, the community outcomes are perceived as unsurprising and reflected what many people across New Zealand want for their communities.

42. The Rūnanga commented they had minimum input into the community outcomes, although Kāi Tahu ki Otago were approached to contribute to the community outcomes. The Rūnanga stakeholder, while aware of the community outcomes, identified no specific benefits in relation to their development.

43. Business stakeholders perceived the community outcomes to be of little value to their organisations’ strategic direction or in their engagement with Otago Regional Council. Although given the outcomes’ broad perspective, there was acknowledgement that aspects are used by default. Although a few community stakeholders had attended a community workshop, none were able to recall the agreed community outcomes for the Otago Region.

44. On prompting, council officers and councillors noted some benefits associated with the process to develop the community outcomes:

- **Ensured political buy-in through councillor leadership.** Councillors leading the community outcomes engendered both political support and buy-in to the process and final outcomes

- **Enhanced communications between council and community.** Community-wide consultation offered the councillors and council officers the opportunity to listen to and understand community issues first hand. Community stakeholders also greatly appreciated having direct access to their councillors

- **Raised the profile of Otago Regional Council.** The community outcomes process raised the profile of the Regional Council across the Otago region. The latter was an important outcome, given the Regional Council’s lack of immediate presence in their communities’ everyday lives.

Community outcomes issues

45. While the process to develop the community outcomes offered enhanced communications and profile benefits to Council, a number of issues were identified with the development process, the purpose and role of community outcomes and their ongoing monitoring. Council officers in particular raised issues:

- about the development process, specifically the level of community engagement

- the wider community’s understanding and ownership of the community outcomes

- the ongoing influence of the outcomes on the council given other legislative drivers, and

- the challenge of monitoring community outcomes.

46. Community stakeholders were critical of the high level focus of the outcomes, which they feel conflicts with their preference for Council to deal with their particular concerns. Business stakeholders also struggled to see the direct relevance of community outcomes for their members. Further, it seems the community found it difficult to separate the Council from the community outcomes. While there were
many contributors to developing the community outcomes, as a council officer commented, “they belong to everyone, but no one is responsible.”

Limited community engagement

47. At the outset, Otago Regional Council acknowledged the risk of consultation overload for their community, given that the territorial councils had already sought community input into their outcomes. The Council therefore used a range of promotion strategies to encourage community engagement, this resulted in a higher level of engagement and submissions than normal.

48. Based on the level of energy and cost expended by the Council, the engagement level was disappointing – council officers commented regional community outcomes “didn’t really capture the community’s imagination because it was seen as another planning exercise by another bit of your local government”. This response may have reflected the lack of contact communities tend to have with Otago Regional Council on a day-to-day basis. The low level of community response seems to have reinforced council officers and councillors’ perceptions that the majority of the community are not interested in being involved in community outcome development.

49. Council officers we spoke with were strongly supportive of community input into Council decision-making. However, some questioned communities’ ability to meaningfully contribute to a strategic visioning process due to their predisposition for seeking Council action on more immediate and/or particular concerns. As one council officer explained:

“Absolutely without a doubt it is important that we have public participation. But there comes a point where you go, what is the community going to be able to contribute to this? How are they going to be able to contribute to this? Do they even want to contribute? Most of them are out there are trying to work out the day-to-day. They are not interested in high-end future opportunities and all the rest of it … Most of them [the community] say well, we employed you to do this job, you’ve got a statute which says what you’ve got to do, why don’t you just get on and do what you’ve got to do.”

50. Feedback from community stakeholders revealed they were frustrated with the community outcomes process as they highlighted their preference for a focus on their particular issues. One community stakeholder recalled attending community outcomes workshops, and sharing their concerns about factory discharge. This stakeholder was extremely frustrated the workshop remained focused on identifying and agreeing long-term outcomes rather than seeking redress to their factory discharge concerns.

51. A business stakeholder also noted the challenges of getting their members to engage in the community outcomes process. The stakeholder’s organisation undertook a member survey to contribute to the development of their submission on the draft community outcomes. However, the organisation found it very hard to engage members in high level and strategic outcomes, given the members’ preference to focus on their immediate concerns of flood bank schemes or regional water issues.

Lack of community understanding and ownership

52. In facilitating the community outcomes process, the Otago Regional Council was careful to position the outcomes as belonging to the community.

“it is important to note that whilst this Council identified the outcomes for Otago, it is not responsible for achieving all of those outcomes. For example, this Council will not undertake work that is the responsibility of the health sector, NZ Police and other organisations. The outcomes exist to guide decisions made by this Council, territorial local authorities, government departments and other agencies on regional resources and community matters.”

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53. Regardless of this statement, a council officer noted the community outcomes are perceived by the community and other agencies as belonging to the Council due to council's role in developing them. Because to this confusion, the community outcomes were seen by council officers and councillors as a “noose around our necks at times.” This is reflected in contrasting criticisms received by the Council. On one hand, submissions were received wanting to know why the Council is getting involved in what are perceived to be non-core activities. On the other hand, the community outcomes seem to have raised unrealistic expectations in submitters who use them to argue the Council must fund their project or adopt their position on an issue, even when it is not seen to be a function of a Regional Council.

54. Business stakeholders noted while they contributed to the community outcomes development, the outcomes did not influence their own organisation’s direction or role. To date, there is little evidence of other agencies aligning their corporate statements of intent or strategic goals with the community outcomes.

Community outcomes too generic and non-strategic

55. The community outcomes were perceived as high level directional and value statements and not a strategic vision to guide the Council. A business stakeholder also commented that in general strategies are too generic and need to be more task-orientated to achieve the vision. On this basis, this business stakeholder advocated the community outcomes should be focused more on the unique needs of the region, and actions that will make a significant difference to the community.

Wider drivers of strategic direction

56. Council officers noted, while community outcomes described the values of and desired directions for Otago, new statute from central government can have a greater influence on Otago Regional Council’s way forward than their community outcomes. An example given was of the revamping of transport by LTNZ and Transit NZ that required the Council to prioritise transport projects and to define a direction for the Council. This officer felt the revamp appeared to happen with limited reference to the region’s current community outcomes.

Investment and deliverables

57. Council officers commented the community outcomes process was “huge investment” for deliverables that do not appear to have changed the Council’s focus or priorities. At the outset, Otago Regional Council had expected more assistance from the Department of Internal Affairs with overall systems and support to implement the community outcomes process. The Council acknowledged the Department of Internal Affairs had established a support position for the South Island, but resources available across all the councils appeared to be stretched.

Lack of engagement from central government agencies

58. Engaging with central government agencies was perceived by council officers and councillors as especially challenging due to many agencies not having a regional presence. Attempts were made to invite local representatives of central government agencies when in the district, but this was unsuccessful. Council officers acknowledged the burden on central government agencies in seeking to respond all the councils in the South Island.

Monitoring of community outcomes

59. Council officers perceived the reporting back on the community outcomes would be challenging. These officers questioned how Otago Regional Council can report on outcomes that are other agencies’ responsibilities. They were concerned that after developing the community outcomes monitoring report, the Regional Council will be seen to be responsible for outcomes over which they have little control (e.g. a rise in regional crime).

60. Council Officers and councillors also believed reporting on the community outcomes will replicate the Council’s existing reports on The State of the Environment under the Resource Management Act, and the reports of other government agencies. Thus the, utility of a community outcomes monitoring report was doubted, especially in relation to the cost in time and money to produce.
Impact of community outcomes

61. Council officers and councillors thought there was little significant change as a result of the development and publishing of the community outcomes. A council officer explained, the community outcomes process was “an exercise almost in the obvious… no surprises in there… nothing earth shattering”. As a result, community outcomes were perceived as a “nice expression and foreword for Otago and that’s about it. We may have done it a disservice in being generic”.

62. A councillor noted that the community outcomes process could have assisted the Council in getting closer to its communities. However, this shift in community relations may have occurred regardless of the community outcomes process. Community and business stakeholders did not perceive any significant change as a result of the community outcome process.

New focus for council on social issues

63. According to a council officer, while the Council retains its core focus on natural resources, the development of community outcomes has resulted in placing a “slight social dimension on the Council’s horizon”. To them, nothing specifically has changed in the Council’s roles and activities, but there is a greater sense of awareness of the Council’s contribution through its activities to community’s social wellbeing.

Growing dialogue with communities

64. Council officers and councillors observed the community outcomes process may have contributed to “generating a bit of discussion amongst those that did get involved about where is Otago going in the long-term.” A potential spin-off was some in the community are now more willing to engage in discussions with a long-term focus, such as those around future water allocation with the demise of water mining privileges in 2021. The community outcomes process may have encouraged affected and interested members of the community to focus beyond the immediate to a more distant future, although the officer also noted that the effects of recent droughts may have been a factor in public engagement on this subject.

65. In contrast, the introduction of the community outcomes process has not significantly changed relationships and engagement with Otago Regional Council for the Rūnanga, community and business stakeholders. For most, their relationships pre-date the introduction of the LGA. One business stakeholder commented the Water and High Country Landscape Summits had been successful in engaging with a wide range of stakeholders to discuss and help form policy and strategic direction. However, they were not clear on the connection between these summits to the community outcomes.

Submission changes

66. Community outcomes have been mentioned in some submissions to Council to support particular projects or issues. However, no organisations were identified as having adopted or used the community outcomes in their strategic goals or frame of reference. It therefore appears that submitters are using the community outcomes to support their pre-existing positions, rather than as a guide for their own strategic direction.

Future community outcomes

67. Otago Regional Council is intending to undertake a six year cycle for the region’s community outcomes. While consideration of the next round is in its infancy, council officers perceived there would be a need to confirm communities’ preferred direction or identify what needs to be changed.

68. Widespread community engagement, beyond affected communities, does not happen very often for the Regional Council. Therefore council officers commented they are likely to undertake workshops around the Otago region to enable communities to talk directly to councillors about their concerns and their interests. Consequently, the community outcomes process is seen to offer the opportunity to build the Council’s presence in the region and continue to build relationships.

69. Council officers and councillors hoped the next community outcomes process may result in outcomes that are more specific, strategic, actionable and regionally focused.

Prepared for The Department of Internal Affairs by Litmus Consultants
70. The Rūnanga stakeholder commented, for the next community process, they would prefer it if Otago Regional Council commenced the process earlier and sought to engage with Kāi Tahu ki Otago and non-mana whenua.

**Reflections of Otago Regional Council implementation against the legislative intent**

71. The table below summarises the legislative intent and Otago Regional Council’s implementation of the mandated community outcomes process. In reviewing the table, it needs to be acknowledged that only one round of community outcomes has been held, and therefore, there was learning to be gained and new processes to be developed.

<table>
<thead>
<tr>
<th>Legislative intent</th>
<th>Otago Regional Council response</th>
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<tbody>
<tr>
<td>Process to identify other organisations and groups capable of influencing either the identification or the promotion of community outcomes</td>
<td>The Council identified a cross-section of stakeholders through their existing mailing lists and community connections</td>
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<tr>
<td>Processes to encourage the community to contribute</td>
<td>The Council undertook a multi-staged and publicised process to encourage community engagement. The level of community engagement in this process was disappointing</td>
</tr>
<tr>
<td>Identify community outcomes for the intermediate and long-term future of the district or region</td>
<td>Six broad community outcomes were identified and clear actions to achieve these desired outcomes were developed</td>
</tr>
<tr>
<td>Long-term focus for the decisions and activities of the Regional Council</td>
<td>The community outcomes are mapped out in the LTCCP (2006/16) showing where and how the Council contributes. However, the extent to which community outcomes are a focus for long-term decisions and activities of the Council is unclear. This is partly due to the greater influence of legislative requirements, and the outcomes being perceived more as directional statements as opposed to providing a strategic direction for the community</td>
</tr>
<tr>
<td>Guide priorities for activities undertaken by local authorities and other organisations</td>
<td>The community outcomes were perceived as directional and value statements it was judged to be inappropriate to prioritise them. ORC has identified projects it is undertaking that will contribute to the key actions that are derived from the community outcomes</td>
</tr>
<tr>
<td>Community having ownership of the identified outcomes</td>
<td>It appears the community places ownership of the community outcomes with the Council. Community outcomes are occasionally used in submissions to support pre-existing positions and directions however they are not strategically setting the direction for the community</td>
</tr>
<tr>
<td>Greater accountability between local authorities and their communities</td>
<td>The Council perceived that accountability to its community has always been high, and this has not changed as a result of the outcomes</td>
</tr>
<tr>
<td>Promote better co-ordination and application of community resource</td>
<td>ORC perceived there has been no change in better co-ordination of community resources</td>
</tr>
</tbody>
</table>
72. In summary, the community outcomes developed by Otago Regional Council for the region are perceived to be directional and value statements. The community outcomes process and the outcomes produced are considered to have created little significant change for the Council. However, the outcomes and their development process may have contributed to a slightly greater Council focus on their contribution to communities' social wellbeing, and an enhanced Council presence and dialogue in some communities. There appears to be some confusion in the wider community about the role of the outcomes, their ownership and alignment with Otago Regional Council's core functions. The Otago Regional Council hopes that the next community outcomes process will result in the development of more specific, strategic and actionable outcomes.

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 Report details 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.\(^7\)

Otago Regional Council LTCCP - response to the legislation

73. Council officers developed Otago Regional Council's LTCCP from management plans, for each of their functions, and then aligned the activities and service levels to the community outcomes.

Otago Regional Council’s LTCCP development process

74. Starting in 2005, Otago Regional Council used a bottom-up approach to develop the LTCCP 2006/16. As described by a council officer, the development of the LTCCP commenced with managers preparing their draft programme of work with proposed levels of service and appropriate budgets for their management area.

75. Council officers then identified the Council’s specific functions that aligned with the community outcomes. A council officer explained “it was how we fit into the community outcomes rather than be driven by them”. The directors had their input into a draft version of the LTCCP once the functions had been aligned to community outcomes, it then went to councillors’ workshops. In developing the draft LTCCP, around 24 workshops were held with councillors. Workshops first focused on each function’s level of activity and then level of service. As the council officer commented this was an important process, which was tempered by financial reality.

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\(^7\) Quoted/paraphrased from the “Strategy for Evaluating Local Government”, Department of Internal Affairs, 2005, page 9.
LTCCP consultation process

76. Otago Regional Council undertook consultation with stakeholders and communities before and after the presentation of the final draft LTCCP.

77. Targeted discussions were held with key stakeholders and affected groups on issues such as flood control and drainage before developing the draft LTCCP. Discussions were also held with the Rūnanga under the terms of the Memorandum of Understanding (MOU) - as discussed in the next section. The Council also had meetings with key community organisations such the Ratepayers Associations and other influential community groups. The intent was to ensure there was adequate contribution to the development of the draft LTCCP and to foster greater “buy-in” to the draft LTCCP.

78. When the draft LTCCP was developed, the Council summarised the document to highlight matters of significance, such as financial information, and those issues impacting on rates. The summary document together with the full LTCCP was put out for wider community feedback. This consultation involved:

- Mailing out to around 450 people on the Council’s mailing list
- Posting the draft LTCCP on the Council’s website
- Placing the draft LTCCP in service centres and libraries across Otago.

79. The Otago community was informed about the consultation process and the availability of the draft LTCCP via media advertising.

80. In total, the Otago Regional Council received around 200 submissions for the LTCCP. In comparison, the last draft Annual Plan 2006/07 received 325 submissions; the biggest amount ever received. Many of their submissions were a duplicate photocopy of a petition being circulated about a walkway in Wanaka.

81. One community stakeholder noted their organisation summarised the LTCCP and sent it out to all their members for their consideration.

82. Submissions were analysed by council officers and entered into a submission database. The key points from the submissions were presented to Council for consideration. Those requesting a hearing were invited to present their submission to Council. Hearings took place over a number of weeks in Dunedin, Alexandra, Queenstown, Wanaka, Balclutha and Oamaru.

83. All submitters received a letter acknowledging their submission, points raised and the decision made by Council.

LTCCP monitoring

84. The LTCCP is used by council staff as a “works programme.” Council officers therefore report back against it every four months to Council to show whether the programme is being achieved.

LTCCP links to Annual Plan

85. As intended, annual planning was strongly linked to the LTCCP process. In effect, council officers perceived the two as intertwined as the LTCCP/Annual Plan. This reflects that there has tended to be an amendment to the LTCCP each year, on for example new rating districts, revenue policies or new activities. As a result, council officers felt they do both each year. A council officer explained, “instead of having a process for the Annual Plan we now have it for LTCCP/Annual Plan. There generally is an amendment in some way to the LTCCP… so normally you’re doing both every year.”
LTCCP benefits

86. For council officers, councillors and stakeholders, the core benefit identified for the LTCCP was in offering the community and key stakeholders' greater certainty about the Council's direction.

87. The Rūnanga perceived the LTCCP as a good first attempt at a ten year plan in which communities had the opportunity to add value through the consultation process. However, the LTCCP was perceived by them as being too general across diverse communities and there is uncertainty of how the various parts of the LTCCP fit together.

88. Business and community stakeholders also acknowledged the benefits of certainty offered by the LTCCP in detailing Council's activities and their rate implications for the next ten years. However, as discussed below, some stakeholders and council officers perceived that forecasting out beyond three years was especially challenging, as unknown projects or changes to legislation may substantially change the LTCCP (e.g. the Stadium proposal).8

89. Business and community stakeholders wanted to be involved in the development of the LTCCP. They especially appreciated the meetings and engagement with the council officers and councillors in the pre-LTCCP drafting. Stakeholders noted the importance to their organisation in preparing a submission about the LTCCP, given the ramifications for their members if the Council adopts certain strategic directions or activities.

90. The community and business stakeholders also commented on the improved levels of engagement with the Council as a result of the LTCCP. However, whether their enhanced relationships were due to the introduction of the LGA, the natural development of their relationship over time or other variables is unclear.

LTCCP issues

91. While the LTCCP offered a level of certainty about Council direction, council officers were sceptical about the document's level of transparency. The latter reflects the large amount of information contained in the LTCCP and its prescribed format. Council officers and councillors were supportive of the appropriateness of an audit of the LTCCP, they were critical of the actual audit process. Both council officers and stakeholders had some concerns about the amount of consultation on the LTCCP and the burden this might place on submitters. They also mentioned the difficulties of ensuring meaningful long-term planning beyond three years.

Amount of consultation

92. Council officers acknowledged community participation was important to ensure transparency of council direction. However, the amount of consultation required in relation to the LTCCP and its amendments was perceived as excessive. The officers observed that consultation was required on everything the Council does regardless of whether it is heading in a new direction or doing the same as last year.

93. A business stakeholder questioned the amount of consultation undertaken, given that they thought councillors were well aware of the differing positions held by the many advocacy and lobby groups:

"most councillors sitting around either regional council or district council all know exactly what organisations are going to put in their submissions within certain parameters ... So I wonder how much you really need to be consulting with your community when most of it is actually known."

94. The business stakeholder continued by saying they should only be asked to contribute if they can add something to the debate and "not just fulfil some tick box criteria." The business stakeholder wants to be consulted on those issues of major impact to the community or the funding model used.

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8 Discussed in the Decision-Making section.
Submission burden on stakeholders

95. Business and community stakeholders whose organisations cover a large area commented on the significant burden placed on them to prepare a submission for a range of city, district and regional councils. This burden is magnified as the request for submissions on the LTCCP and Annual Plan from all councils come at the same time. To prepare a submission, these stakeholders read through the LTCCP and identify points of interest and relevance for their members and then research and prepare their submission.

As a business stakeholder explained:

“my personal view is we have to submit on those [LTCCP] I dread writing them. We have to analyse hundreds of pages of documents and understand them with a level of understanding that we can’t get to within the time constraints. To analyse down, to realise what the impact is on members you represent, put that back in a form that is readable to Council and is understandable to councillors, and be prepared to stand up and front-up in a verbal submission process and be questioned on all of that. Yet we have to do it, if we don’t then by way of not submitting we are saying we don’t care. It’s a very difficult thing to do from my side of the fence.”

96. Rūnanga commented, while it is appropriate they are involved, the local government processes generated a degree of apathy among them. This reflected a sense of burn-out stemming from their additional involvement with the council through the Resource Management Act.

97. Stakeholders also commented on the challenges to orally presenting their submissions to councillors. Some submitters thought some councils were a particularly hostile and adversarial environment for submitters, in relation to both the venue and councillors’ demeanour. These submitters saw Otago Regional Council as trying to make the process less intimidating for them. The committees were perceived as accommodating, more relaxed and the seating was regarded as friendlier and less formal.

Difficulties with the LTCCP audit process

98. Auditing the LTCCP was seen by the council representatives we spoke with as appropriate and necessary. However, the audit component was also seen to be the most frustrating part of the LTCCP development process, particularly in relation to the issue of ownership. Council officers explained the draft LTCCP was audited, and following consultation councillors wanted to make changes to reflect submissions received. However, the auditors insisted the final LTCCP could not be adopted unless it was reviewed by them (as section 94 of the Act requires). This stance was perceived to have a potential dampening effect on alterations to the draft LTCCP in response to submissions, which some council representatives consider to be contrary to the intent of the Act. Council officers observed that sometimes a subtle word change would be sufficient to satisfy submitters, however such changes would still have to be approved by auditors.

99. Overall the outcome of the audit was not perceived to add real value to the development of the LTCCP. Criticisms included:

- Auditors’ perceived lack of appreciation of the Council’s staff and Council’s expertise in developing long-term plans.
- Finding that the agreement reached with the local auditors was not acceptable after a “hot review in Wellington”. For example, as part of the consistency review process the Office of the Auditor General (OAG) in Wellington sought to change the name of the draft LTCCP to what was perceived by the council to be a lengthy and community unfriendly name. A council officer commented “you’d never pick it up because it sounded so tedious.”
- Inconsistency of audit advice and directions across the regions. A council officer gave an example of when the Council sought to use material developed and contained in another council’s already audited LTCCP that was then deemed unacceptable for the council’s LTCCP.
- Being made to restructure material in the LTCCP. For example the Council wanted to have two comparison tables of inflation adjusted and non-inflation adjusted rates for the ten year period of the
LTCCP on the same page. Council officers explained their rationale as “people understand today’s dollars and not dollars in ten years.” As a result of audit, the Council was required to place the non-inflation adjusted rates table at the back of the financial section.

- The benefit of the audit to the council and the community was questioned when compared to its cost. A council representative commented that the final bill received for the audit was treble the original quote. However, the OAG points out that no council was charged above the originally quoted fee agreed at the beginning of their LTCCP audit process. The OAG do acknowledge that the number of hours spent by auditors on the ORC audit would have been greater than that anticipated at the start of the audit, and this could have been as high as three times that amount. The OAG also notes that the additional cost incurred in the longer than expected LTCCP audit process was eventually borne by central government through the OAG.

**Challenge of planning beyond three years**

100. Council officers and a councillor commented on the challenge of planning beyond three years due to the unknown or uncontrolled variables that can come into play, for example inflation, population growth or significant large projects such as the stadium development. This extends into the LTCCP amendment process. A council officer explained:

> “You’ve got a ten year scenario but up pops the stadium which is probably the biggest expenditure drive we’ve ever had and we’ve got to just slot it in. We can do that but it’s the process, and I don’t mean the process about not consulting with public because they’ve got huge views, and it’s not too hard for us to adjust our planning and our forecasting and our financial it’s not too hard at all. But the process takes so bloody long and then there is audit.”

101. The business stakeholder also acknowledged the challenge of long-term planning beyond three years. The stakeholder said:

> “to be held accountable to any great extent (to the LTCCP) is a little bit harsh because you are only predicting and forecasting the best you can. But it was still fairly clear that we would still be generically seeing most of the changes.”

**Impact of the LTCCP**

102. Overall, there is a perception the LTCCP has created certainty for the community about the Council’s direction. While one council officer noted the LTCCP offers a level of certainty, other people interviewed perceived the LTCCP as being rigid – the audit process does not permit potential projects to be included within the LTCCP without supporting evidence and documentation. Some people perceive this to be stifling innovation and future visions for the region.

103. Another councillor commented, the degree of certainty could be seen as only theoretical since new activities, such as the stadium, can significantly impact on proposed activities across the Council as identified in the LTCCP.

104. In line with the introduction of the new Act, there has been an increase in submissions from lobby groups who are perceived to be good at using consultative processes to meet their objectives. However, there is some concern about the way in which recent submissions are made (e.g. photocopied submissions) and this could at times distort council understanding of wider community opinions. Council has sought to counterbalance this perceived problem through, engagements such as direct discussions with affected communities and/or surveys.

105. Having said the above, council officers noted that councillors live in the communities and are aware of and listen to the concerns of their communities. Any increased level of consultation was therefore not perceived to have changed the council’s awareness of community issues or concerns.
Future LTCCPs

106. Otago Regional Council is considering how to streamline LTCCP information to make it more accessible to their community; specifically placing more focus on levels of service and how the Council is going to achieve them. A council officer explained,

"we’ll tell the story of what we do within this activity that probably gives more information than anything … Why we’re doing what we’re doing. The levels of service will be far more customer-focused and we will put in there a few bullet points of how we are going to meet their requirements. We won’t have all the details of all the activities that we do. We’ll pick out key things that address meeting those levels of service. So it will be no where near as wordy."

107. Otago Regional Council is considering whether to promote the summary LTCCP document as the basis of public consultation by distributing it more widely and making it slightly more detailed. Council officers commented the requirement of a very detailed LTCCP, particularly in relation to financial information was “defeating the purpose of a consultative document”.

108. Another suggestion was to change the name of the LTCCP to make it more customer-focused.

Otago Regional Council LTCCP against legislative intent

109. The table below summarises the legislative intent of the Act regarding the LTCCP and Otago Regional Council’s implementation of that requirements. This table refers to the 2006 - 16 LTCCP prepared by Otago Regional Council, which was the first full LTCCP required under the new Act.

<table>
<thead>
<tr>
<th>Legislative intent</th>
<th>Otago Regional Council response</th>
</tr>
</thead>
<tbody>
<tr>
<td>LTCCP describes Community Outcomes and shows local authorities contribution to them</td>
<td>LTCCP 2006/16 contains tables showing the links between the community outcomes and Otago Regional Council’s roles and activities</td>
</tr>
<tr>
<td>“Wider community” is consulted on the LTCCP</td>
<td>Otago Regional Council undertook two levels of discussions with affected communities before drafting the LTCCP and wider consultation once drafted</td>
</tr>
<tr>
<td>LTCCP is auditable and meets important financial reporting requirements.</td>
<td>The LTCCP has been audited and found to be a reasonable basis for long-term integrated decision-making by the Council</td>
</tr>
</tbody>
</table>

110. In summary, Otago Regional Council’s LTCCP fulfils the requirements of the Act. The LTCCP was developed from the Council’s management plans for each of their functions and then aligned the activities and service levels to the community outcomes. The LTCCP offers more certainty to the community about Council direction. The Council perceived itself as completing an LTCCP/Annual Plan each year. Because of this, the LTCCP/Annual Plan process is perceived to have increased the consultation burden for both stakeholders and the Council. Thinking towards the future, Otago Regional Council is considering how to streamline LTCCP information to make it more accessible to their community.
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.

**Otago Regional Council approach to decision-making**

111. Otago Regional Council is aware of and applies the decision-making process under the Act. In summary, the Council identifies options and their costs and benefits, and presents the range of options along with their preferred option to the affected communities for their input. Following changes, perhaps in response to this early stage of consultation or for some other reason such as new information, the council puts a range of options including an elected or proposed option out for wider consultation using the SCP process. Following hearing and analysis of submissions a final decision is then made by the full council. Submitters are then informed of the decision.

112. The Council Significance Policy (detailed in the LTCCP 2006/16) mirrors the intent of the Act. The Policy notes that assessing significance is a matter of judgement, based on the nature of the issue/proposal/decision and its likely impacts and consequences, and/or its monetary value and community impact. A council officer explained the Council applied a mix of accounting terminology and community issues when developing its Significance Policy.

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Community engagement in the decision-making process

113. Otago Regional Council has a philosophy of “regulation as a last resort”, i.e. it does not want to be seen to be telling its community and stakeholders what to do. Consequently time is spent working with affected communities to identify and agree on options to achieve the desired outcomes. Otago Regional Council engages with community with a three-tiered approach to community engagement in decision-making.

1. Informal meetings and catch-ups are held with key representatives in the community, (e.g. business, farming and residents). The aims of these meetings are to strengthen relationships between the Council and their stakeholders and to update parties on relevant matters. A business stakeholder commented they have:

- Quarterly meetings with the Council and other regional and national agencies for updates on environment issues and resource management outcomes
- Annual meetings about river catchment and water quality outcomes
- Annual meetings with councillors and council officers to obtain a general update from Council. These annual meetings were initially established by the stakeholder and are now being hosted and administered by the Council.

2. Councillors and council officers hold discussions with the affected communities on core functions such as drainage and flood banking through field days and workshops. At these forums, the affected community and the Council agree the action and the rates implications. Another business stakeholder commented, “Meaningful consultation occurs well before anything is formally put on the council agenda.” Consequently, the SCP for Annual Plans is perceived more as “a fait accompli exercise of tinkering with their petty cash.” This business stakeholder reflected they had never seen anyone come along to an annual plan meeting and “substantially upset the way Council was preparing to fund the next twelve months.”

Wider engagement with the community occurs through regional public meetings, community surveys and the SCP process for the Council’s draft Annual Plan or amendments to the LTCCP.

114. The following are two recent examples that detail the Council’s decision-making process and the involvement of the community and stakeholders.

The Stadium Proposal

115. A council officer said the Otago Regional Council tends “not to be into stadiums.” However, this project is perceived to offer strategic regional benefits and therefore the Regional Council is considering whether to offer financial support to its development.

116. The Draft Annual Plan for 2008/09 offers an overview of the stadium proposal’s background, conditions of participation, three funding options, the Council’s preferred option and a breakdown of costs. It is currently out for consultation and the Council is expecting to receive more submissions than usual, given the strong interest in the community (both for and against the stadium) and the wide media coverage.

117. The Council acknowledges the stadium is a significant new activity based on the financial and community impact. The Council also recognised that a stadium proposal may not be considered a core function of a Regional Council. Consequently, council officers went back to the law to determine the appropriate process to consider the stadium proposal. The review produced 40 items to be considered by the Council, of which seven involved public consultation. The Council then analysed whether to bundle together some consultation stages, and whether this would be perceived as short-cutting the process.

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10 As noted in the ORC Draft Annual Plan (2008/09 p3-4)
118. An initial significant consideration was Otago Regional Council’s Triennial Agreement with the territorial councils. The purpose of the Triennial Agreement was to ensure city, district and regional councils work “in the same direction.” Otago Regional Council required unanimous agreement from all territorial councils for the Regional Council to consider proceeding with considerations about funding the stadium. Initially, one Council was not in support but has since changed their position. Through this phase, discussions were held with mayors and councillors from the territorial councils to define options for the stadium and discuss their implications.

119. Following this, Otago Regional Council’s councillors toured the region holding public meetings for community feedback on Council’s involvement in the stadium’s development. The Council also sent 75,000 surveys on rate implications to households and stakeholders in Otago, and received around 30,000 completed surveys with a fairly equal split of those for and against the development.

120. The Draft Annual Plan seeks feedback on whether or not the Council should undertake the new activity, and if so, what funding model should be used. Following oral submissions and the analysis of all submissions, the Council will then decide on the stadium proposal.

Drainage decisions

121. Another more localised example of Otago Regional Council decision-making was given by a community stakeholder. At the time of the research, the Council and a community liaison group were discussing the need for new pumps and if needed, the funding options.

122. To date, the Council and the community group have had three meetings with councillors and senior staff in three months. The community liaison group are aware this proposal is critical to avoid future flooding. However, they are challenging the funding mechanism, which they perceive as “too hard for ratepayers.” They requested the Council to come up with different funding scenarios. Otago Regional Council then developed five scenarios and highlighted their preferred option. As the community stakeholder commented, “they are good at coming up with a different scenario or changing the figures slightly and coming back with it to see if it looks any better.” They perceived Otago Regional Council as taking their feedback seriously. The stakeholder commented:

“these guys are taking us seriously. They always listen to what we say because we are quite critical about a lot of things they do. To be fair, they do listen to what we say, but as I say I don’t really know if it affects the outcome at the end of the day.”

123. The community liaison group is now keen to call a public meeting to inform rate payers about the rationale for the rate increases. The Otago Regional Council is supportive of this approach.

Rūnanga’s engagement in the decision-making process

124. Otago Regional Council signed a Memorandum of Understanding (MOU) and Protocol with Te Rūnanga o Ngāi Tahu and Kāi Tahu ki Otago for effective consultation and liaison in January 2003. The purpose of the MOU is to define mechanisms to promote and facilitate effective consultation and liaison between the Otago Regional Council, Te Rūnanga o Ngāi Tahu and Kāi Tahu ki Otago (the Rūnanga).

125. The MOU details how the Rūnanga and Council will facilitate Ngāi Tahu Whānui consultation and liaison within the jurisdictional boundary of the Otago Regional Council. The key consultation processes detailed are:

- A special consultancy agreement between Kāi Tahu ki Otago Limited and Council to:
  - Consult and build knowledge in developing, reviewing and implementing Council’s regulatory plans, policies and strategies under the Resource Management Act and Biosecurity Act

Develop the Draft Annual Plan. Kāi Tahu ki Otago will convene two meetings with representatives of the four Papatipu Rūnanga and Te Rūnanga o Ngāi Tahu to firstly consider Council’s work programmes, and secondly to consider all proposals suggested by Council for inclusion in the Draft Annual Plan.

- A Kaitakawaenga nominated by the four Papatipu Rūnanga of Otago. The Council provides a koha to the Kaitakawaenga as appreciation for performing this function.

- The Kaitakawaenga meets six weekly with the Chair and Chief Executive of the Otago Regional Council and a Kāi Tahu representative who has the confidence of the Otago Rūnanga to:
  - Discuss strategic level issues relevant to the interests of and ongoing partnership objectives of Kāi Tahu and the Otago Regional Council.
  - Advise on cultural/protocol matters relating to formal and other occasions, (eg tangi and important ceremonial events).

- Other consultation between the Otago Regional Council and Papatipu Rūnanga, Te Rūnanga o Ngāi Tahu and Kāi Tahu ki Otago Ltd, as the Kaitakawaenga position does not substitute the need for continued maintenance of relationships.

- Annual meeting to assess the benefits of the MOU and to determine any changes to the agreement.

126. The Rūnanga established the Kāi Tahu ki Otago as they were being "swamped with consultation requests." Council officers supported the set up of Kāi Tahu ki Otago as a commercial entity. Kāi Tahu ki Otago is self-resourcing gaining funding through contractual relationships with various bodies. An example of this is how Kāi Tahu ki Otago provides a cultural impact assessment for the Council in their decision-making process.

**Decision-making benefits**

127. The Council perceives the Act’s decision-making processes as replicating those already in use by the Council. The perceived benefits of more community involvement and transparent decision-making were seen to pre-date the Act. Council staff however, complimented the Act’s process as being more reflective of the social and political factors that Council has to weigh-up in decision-making.

**Community involvement but not necessarily greater influence**

128. Community and business stakeholders were, in the main, positive about their engagement with Otago Regional Council in decision-making, and felt the level had increased. However, they questioned whether their involvement influenced the final decision.

129. In the main, the Rūnanga stakeholder was satisfied with the consultation and liaison processes detailed in the MOU as sufficiently meeting their role of Kāitiaki. Although the MOU was signed in 2003, the Rūnanga perceived the defined processes to arise from the formalised requirements of the Resource Management Act 1991.

**Transparent decision-making**

130. Councillors and stakeholders commented the decision-making process was transparent as reflected in the communities’ integral part in that process. While supportive of the need for transparent decision-making, the councillors felt it came at a greater administrative cost to the Council.

**Greater community focus in decision-making**

131. The decision-making process aligned more with the political nature of decision-making at the Regional Council. A council officer explained before the LGA 2002, the decision-making process was structured and focused strongly on economic terms, particularly who should pay. There were some decision-making elements that went beyond black and white economic analysis and factored in communities’ needs and reactions. As a result the decision-making process was perceived to encompass community and economic analysis.
Decision-making issues

132. A number of issues were raised including the inclusiveness of the decision-making processes, concerns about the level of community influence in decision-making, consultation burden and re-litigation of affected community’s agreed decisions.

Inclusiveness of the consultation and engagement process

133. Both stakeholders and council staff discussed whether engagement processes were inclusive of the wider community. The Rūnanga stakeholder felt establishing Kāi Tahu ki Otago as a one-stop-shop had resulted in the exclusion of non-mana whenua from the decision-making process. To combat this, the Rūnanga stakeholder related that local Māori have been making a concerted effort to be elected onto Council. They believed this strategy would ensure Māori voices are reflected in all aspects of Council decision-making.

134. Council officers and councillors commented the SCP seems to make the extreme views more visible, while the views of the “silent majority go unheard.” To counterbalance this effect, Otago Regional Council makes use of surveys, to capture more representative feedback from the community, while ensuring respectful consideration to all submissions.

Concerns about the level of influence in decision-making

135. In the main, all stakeholders were positive about their involvement in the decision-making process. However, they questioned the extent to which their feedback actually influenced Council’s final decision. For community stakeholders there was an expectation that Council should act on their feedback. As a community stakeholder commented, “I look at every submission that goes in, because I get a copy of everybody’s submission... and very, very rarely is something changed... It doesn’t affect policy – no change.”

136. In contrast, business stakeholders felt they do have some influence in Council decision-making. One business stakeholder mentioned an occasion where they had “a constructive influence on an LTCCP and Annual Plan matter in relation to consent monitoring.”

137. Businesses stakeholders seemed to have a greater appreciation of the need for the Council to weigh-up different voices in the decision-making process:

“I am representing a very narrow sector of our community. I can completely respect that sometimes it is only one of many voices lobbying and advocating a position ... Fed farmers, Local Government NZ, district authorities, Grey Power and all sorts of voices will be in there - not unlike the debate over the stadium today. Everybody is lobbying their particular position. We are unashamedly lobbying for ... and sometimes that means I am not going to get our organisation’s wall.”

138. Council officers and councillors confirmed that well-reasoned and structured stakeholder and community feedback can influence Otago Regional Council’s decisions. One example, given by a Councillor, was where the Council proposed putting in flood protection measures in Wanaka with a targeted rate. A particular sector of the community opposed the rate and, in response, the Council moved to a model of shared funding with Council, the developer and Queenstown Lakes District Council.

139. Council officers acknowledged that some submissions are unlikely to influence a decision as they do not address the specific issue, address what is judged to be only a minor local issue, or seek funding for activities which are not a function of the Council. While these submissions are processed appropriately and treated with due respect, they do not drive change on a specific issue. A council officer explained, “at the end of the day we are not going to change how we deal with Land Transport for one or two people who aren’t happy with where their bus stop is or they don’t think the bus should run at 8.15.”

140. Otago Regional Council’s ability to respond to submitters requests can also be constrained by legislative requirements and the Triennial Agreement with territorial councils. Consequently, council staff and councillors believed that, as appropriate, decisions are being influenced by stakeholders’ input.
Repetition of consultation on agreed activities and services

141. Council officers questioned the logic of agreements reached with affected communities, (e.g. agreeing activities and rate strike in relation to flood protection), being opened up to a general submission process where they could be commented on by those not directly affected. One council officer commented “staff members don’t just decide what’s going to get spent on the water scheme and then bill the community. We operate from the grassroots up. But then we end up turning the turf over too and the grassroots have another crack at it.”

Impacts of the Act on decision-making

142. Council staff perceived that little has changed in relation to decision-making following the introduction of the Act. This reflects Otago Regional Council’s use of a three-tiered decision-making approach prior to 2002.

Otago Regional Council decision-making against legislative intent

143. 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 offer some feedback on.

<table>
<thead>
<tr>
<th>Legislative intent</th>
<th>Otago Regional Council response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve community involvement in council decision-making</td>
<td>The Council applied a three-tiered approach to community involvement in decision-making before the introduction of the Act</td>
</tr>
<tr>
<td>Council decisions will be more strategic (including a longer-term focus) in nature</td>
<td>The Council does not believe that its decisions are more strategic as a result of the Act</td>
</tr>
<tr>
<td>Involve Māori in decision-making and help develop Māori capacity to contribute to council decisions</td>
<td>The process detailed in the MOU has lessened the burden of the Rūnanga’s involvement in Council decision-making, while guaranteeing their involvement. Concerns were raised about the exclusion of non-mana whenua from the decision-making process</td>
</tr>
</tbody>
</table>

144. In summary, Otago Regional Council believes it was aware of and had been applying a similar decision-making process prior to the introduction of the Act. Council staff commended the process detailed in the Act as showing decisions are not solely made on financial considerations. The Act was expected to generate benefits of more community involvement and transparency in decision-making. The Council believes these benefits were already in effect in the Otago Region. Issues identified include questions about the inclusiveness of the process, especially for non-mana whenua, and the level of influence community and stakeholders have on the Council’s final decision.
Conclusions

Community outcomes

145. Otago Regional Council commenced its community outcomes process in 2005 following agreement that there was a need for regional outcomes. The process was based on learnings from other councils and was led by councillors. Otago Regional Council used a multi-layered and staged process that involved targeted and community-wide engagement.

146. The community outcomes developed were perceived by Council and some stakeholders as directional and value statements, and not strategic in nature. Further, they were perceived to have created little significant change for the Council. The development process may have contributed to the Council having a slightly greater focus on their contribution to communities’ social wellbeing, an enhanced regional presence and more dialogue in some communities. Amongst the community and some stakeholders, there was confusion about the role and ownership of the outcomes and their alignment with Otago Regional Council’s core functions. Otago Regional Council hopes that the next community outcomes process will result in the development of more specific, strategic and actionable outcomes.

LTCCP

147. Otago Regional Council’s LTCCP was developed from the Council’s management plans for each of their functions and then aligned to the community outcomes. A council officer saw the council as completing an LTCCP each year because there “is an amendment in some way to the LTCCP whether it’s a new rating district … new activity that needs a revenue policy … it’s an amendment to [the LTCCP] so you normally you’re doing both [an LTCCP and Annual Plan every] year” as a council officer. In developing the LTCCP 2006/16 the Council engaged with key stakeholders before drafting the plan followed by wider consultation on the draft LTCCP.

148. A key benefit identified was that the LTCCP offers greater certainty to the community about Council’s direction. However, the LTCCP/Annual Plan process is perceived to have increased the amount of consultation for both stakeholders and Council. While supportive of the appropriateness of auditing the LTCCP, the Council had some criticisms of the audit process, especially in relation to the level of intervention.

149. Thinking towards the future, Otago Regional Council is considering how to streamline LTCCP information to make it more accessible to their community.

Decision-making

150. Otago Regional Council was aware of and had been applying a similar decision-making process before the introduction of the Act. Council staff commended the process detailed in the Act as acknowledging decisions are not solely made on financial considerations.

151. Greater community involvement and transparency of decision-making, benefits expected to arise from the new Act, are perceived to have been in place prior to the new Act. Issues arising reflected questions about the inclusiveness of the process especially for non-mana whenua, and the level of influence the contribution of community and stakeholders have on the Council’s final decision.
Appendix One: Principal Legislation for Otago Regional Council

- Local Government Act 2002
- Resource Management Act 1991

Other significant legislation affecting the council include:
- Soil Conservation and Rivers Control Act 1941
- Marine Pollution Act 1974
- Civil Defence Emergency Management Act 2002
- Local Government Official Information and Meetings Act 1987
- Local Government (Rating) Act 2002
- Transport Services Licensing Act 1989
- Transit New Zealand Act 1989
- Privacy Act 1993
- Land Transport Act 1998
- Land Transport Management Act 2003
Appendix Two: Our Otago – Our Future

OUR OTAGO - OUR FUTURE

We are looking for your help to define regional community outcomes that describe a vision for our Otago community.

A positive future for Otago will come from those social, economic, environmental and cultural attributes that you think are important.

Your views are important and will help to define what the Otago community wants for the future.

What do you want for Otago's future?
You are invited to give us your thoughts either through the attached feedback form, or at one of our upcoming workshops.

If you are unable to participate at this time, there will be further opportunity to have your say.

Feedback form
Feedback forms need to be returned back to the Council by 18 May 2005.

Your feedback will allow us to incorporate your views into our consultation draft vision for our Otago community.

Workshops
Workshops will be held at the following locations:

- Alexandra
- Balclutha
- Duntroon
- Oamaru
- Queenstown
- Wanaka

Please let us know which one you'd like to attend and we'll advise you of the time and venue.

What next?
Following on from our workshops and your feedback, we will draft a public consultation document describing the preferred vision for development of Otago.

This document will be distributed to all residents in Otago, inviting public submissions. After hearing submissions, Otago's community outcomes will be recorded by the Council.

The 2006/2016 Otago Regional Council Long Term Council Community Plan will be prepared using those outcomes. Other organisations will also be setting their plans to contribute to achieving Otago's community outcomes.

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