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**communities better**

**Wairoa District Council**

**Independent assessment report | April 2021\***

An independent assessment report issued by the Independent Assessment Board for the CouncilMARK<sup>™</sup> local government excellence programme. For more information, visit [www.councilmark.co.nz](http://www.councilmark.co.nz)



A measure  
for better  
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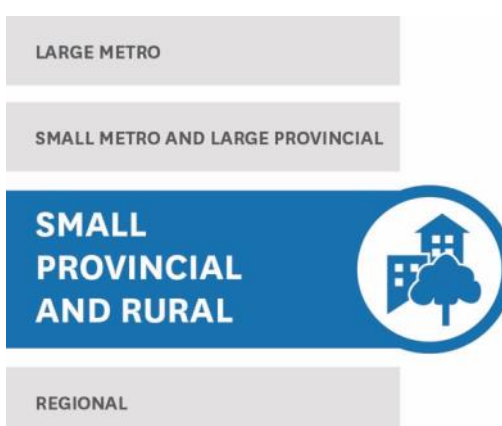
\*Assessment completed in November 2020

# Assessment Summary

## AT A GLANCE



Wairoa is a manufacturing and rural service town. The name Wairoa is Māori for “long water” which reflects the length of river that runs through the town.



## The current situation

Wairoa is a unique and relatively isolated community. It has the highest Māori population of any district in New Zealand (66 per cent). The Wairoa District Council is seeking to develop a model of local government which is bicultural and in tune with the needs of its entire community. Council has a small rating base and has heavy demands on its service delivery and infrastructure. Through a strategic approach, Council has attracted significant central government funding to advance infrastructure upgrades. However, it is realistic about future challenges and is undertaking a comprehensive process of consultation in the lead-up to the 2021-31 Long Term Plan (LTP). Council has deep links with marae across the district and is working closely with iwi in conjunction with their post Tiriti o Waitangi settlement entities to identify opportunities for social, cultural and economic development.

- > Elected members and staff have deep roots within the community. There is strong awareness and sense of accountability to the community.
- > Council is cognisant of its prior assessment in 2017 and has sought to improve its performance through building its team.
- > Despite the recent departure of its Chief Executive, staff, including the Interim Chief Executive, have risen to the challenge and continued Council’s development while managing its day-to-day affairs and the extraordinary COVID-19 related events of 2020.
- > Council has substantially benefitted from Provincial Growth Funding to enable it to undertake needed capital development within the district.



**\$284m**  
GROSS DOMESTIC  
PRODUCT<sup>1</sup>

SERVES

**8,367**

PEOPLE<sup>2</sup>, A MIX OF  
66% MĀORI  
48% EUROPEAN/PĀKEHĀ  
3% PASIFIKA  
2% ASIAN<sup>3</sup>



POPULATION TREND  
STABLE

MAKES UP  
**1.50%**

OF NEW ZEALAND'S TOTAL LAND AREA<sup>4</sup>  
REPRESENTING WAIROA DISTRICT,  
INCLUDING MĀHIA PENINSULA TO LAKE  
WAIKAREMOANA, AND SOUTH TO THE  
MOUTH OF THE WAIKARE RIVER, AN  
AREA OF

**4,077 km<sup>2</sup>**

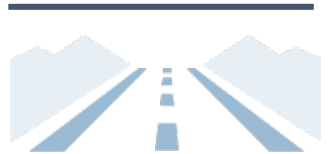
RESPONSIBLE FOR

**867km**

ROADS<sup>5</sup>

**41km**

FOOTPATHS<sup>6</sup>



## Key learnings

Wairoa is deeply bicultural. It has an active voting base in excess of 60 per cent of enrolled voters (second highest in the country). Five out of Council's seven elected members, and its Interim Chief Executive, are Māori. All elected members hold down 'day jobs' and are embedded in their community. Elected members are supported by a Māori Standing Committee, drawn from the network of marae across the district using an effective engagement nomination process, and by carefully planned involvement of external appointees to key Council committees.

- > Council has developed, and continues to enhance, a bicultural approach to its work and its engagement with the community. The approach draws on the four well-beings and recognises the values of whanaungatanga and what Council informally calls the Wairoa Quotient (the unique sense of "being Wairoa").
- > Council is well served by its elected members, including a range of experienced and newly elected members who exhibit a level of confidence and insight which serves the community well.
- > Council is fortunate to have highly capable staff in key positions. Many have returned to the district with their skills and experience; others have come to Wairoa because it is a good place to live.
- > There are positive learnings from Council's community engagement on future funding and service levels. Council has embarked on a comprehensive rates review, well in advance of the 2021-31 LTP process, and as a prelude to consultation on future service delivery.
- > Council responded to the COVID-19 crisis in a "typically Wairoa way", with a well-planned approach that was centred on the use of iwi centres throughout the district as points of delivery for essential services.

<sup>1</sup> MBIE - Modelled Territorial Authority GDP 2019 Release

<sup>2</sup> Stats NZ - Wairoa District Council Census 2018 Usually Resident Population Count

<sup>3</sup> Census respondents can select multiple ethnicities, resulting in higher than 100% calculation on ethnicity

<sup>4</sup> DIA - Wairoa District Profile, Land Area (2014)

<sup>5</sup> Wairoa District Council - Land Transport Asset Management Plan- P8

<sup>6</sup> Wairoa District Council - Long Term Plan 2018-28 - P78

# Assessment Summary

## continued...

### OVERVIEW

Council strongly reflects its community – in both its hopes and its challenges. Elected members and staff seek to work toward and deliver on the four well-beings. Set against this are substantial challenges of affordability in delivering on core infrastructure services. While the challenge remains, Council is undertaking a methodical and deliberate programme of community engagement to meet this challenge in a uniquely local way, while delivering on statutory requirements.

### RATING



## Findings



#### ELECTED MEMBERS ARE COMMITTED TO THEIR COMMUNITY AND STRONGLY IDENTIFY WITH IT.

This was a striking feature of the elected members as a group. They are keen to advance the well-being of Wairoa while having a clear-eyed understanding of its situation and challenges.



#### STAFF ARE SUPPORTING ELECTED MEMBER DECISION-MAKING THROUGH DEVELOPMENT OF INTERNAL SYSTEMS AND PROCESSES.

Since 2017 there has been an incremental development of information management and internal systems to facilitate better decision-making. Council acknowledges this is a work in progress.



#### COUNCIL'S MAJOR STRATEGIC RISK REMAINS ITS LONG-TERM FINANCIAL SUSTAINABILITY.

As a largely rural district with a limited rating base, this remains a challenge for a proud and cohesive community. Council is openly debating this issue with its community through the 2021-31 LTP development.

## Commonly used terms

Term	Definition
Asset Management Plan	A tactical plan for managing a council's infrastructure and other assets to deliver an agreed standard of service.
Infrastructure	Local and regional roads, pathways and cycleways, drinking water, wastewater and stormwater assets, sports and recreation facilities (parks, sportsgrounds, green spaces etc), community and tourism facilities (playgrounds, public toilets, libraries, museums, galleries and public art etc), town centres, and other facilities.
Local Government Act 2002 (LGA 2002)	The legislation that provides a framework and powers for councils to decide which activities they undertake and the manner in which they will undertake them.
Long Term Plan	The document required under the LGA 2002 that sets out a council's priorities in the medium to long-term.



Governance, leadership and strategy	Financial decision-making and transparency	Service delivery and asset management	Communicating and engaging with the public and business
Better than competent	Variable	Competent	Performing well

#### STRENGTHS

Council has a bicultural approach reflecting its community. It has strong links with iwi through its Māori Standing Committee and developing links in the post-Treaty settlement environment.

Council and staff are cohesive and work together well.

Elected members form a solid team which encourages debate and consensus in decision-making.

Management is building a strong and cohesive team, paying attention to the need for sound management systems.

Council is seen as a 'good team player' regionally and with key stakeholders, and is seeking to gain value out of these relationships in the delivery of its own services.

Council is not stepping back from its future challenges – in particular, the 'seminal issue' of affordable levels of service.

Council holds a strong sense of community well-being, bringing this into its employment strategy and practices (as does its Council Controlled organisation (CCO), QRS), and into its approach of working with the community.

#### AREAS OF IMPROVEMENT

Council must maintain a close focus on developing its 2021-31 LTP and step through its challenges with its community.

Elected members recognise their strengths but could also gain value from ongoing professional development to strengthen their leadership and governance skills.

Management to further develop its organisational planning including comprehensive strategies for staff health and safety and communications.

Management to continue development of non-financial reporting and its integration into management of all activities.

# Leading locally

## Governance, leadership and strategy

Council is an exemplar in its uniquely bicultural approach which is strongly reflected around the Council table, across the organisation, and in its stakeholder relationships. Council has recently adopted a new set of community outcomes and has embarked on a series of conversations with the community about rates and service delivery levels, all of which will feed into the 2021-31 LTP process.

### Priority grading

Better than competent

< Council should maintain what it is doing well in its governance and local leadership. Elected members could improve their performance further with a planned approach to professional development and use of appraisals. The organisation needs to continue valuing its staff and ensure there are human resources strategies in place to promote effective recruitment, retention, and satisfaction levels. >

Council has developed a bicultural approach to its work and its engagement with the community. Council does this by, among other things, promoting the use of te reo Māori in all its publications and internal communications, using a planned approach to community engagement and seeking to be open with the community about the challenges it faces – in particular, in maintaining service levels and funding ongoing infrastructure development.

### Setting the direction for the community

Council's current direction is set by the 2018-28 LTP and the 2020 Annual Plan. In 2020, as part of its strategic direction-setting for the new term, Council reviewed and enhanced some of its key strategic and organisational components, including its community outcomes and its vision and mission statements. The revision of the community outcomes from nine to four has resulted in a more succinct set of statements which are well-aligned with the local government well-beings. The task of integrating the new outcomes is ongoing but can be expected to reach fruition in the 2021-31 LTP.

The 2021-31 LTP will be of seminal importance to the community. Wairoa is an isolated district with a small ratepayer base, extensive and growing infrastructure needs (especially in roading and the three waters), and many challenges in maintaining service delivery levels.

The 2018-28 LTP was built on a rating approach that focuses heavily on targeted rates and the use of sectoral differentials (for example, for the forestry sector).

Council has recently been successful in leveraging the Provincial Growth Fund and other central government funding to progress key initiatives. However, it is not making any assumptions that such sources of funding will necessarily continue to be available. Council has therefore made a decision to revisit the rates structure, as a prelude to a discussion with the community about service levels. These reviews are happening in advance of the 2021-31 LTP process.

This engagement was ongoing at the time of the assessment. Council recognises the inherent complexity of the issues and the magnitude of the challenge, although it is responding to these issues in a commendable way. The consultation materials for the rates engagement, and the subsequent engagement on service delivery levels, make use of simple terminology to explain where rates are spent and seek to de-mystify what is meant by service levels and affordability. The community engagement is also integrated in a comprehensive project plan which management has developed to deliver the 2021-31 LTP on time. The project plan includes programmed steps to consult and gather sufficient information for elected members to consider to come to key decisions, recognising that some decisions will have far-reaching implications and that time will be needed for full consideration.

## Creating confident councillors

Council is well served by its elected members, including an experienced and well-respected Mayor and a range of experienced and newly elected members. All elected members hold down 'day jobs' and are embedded in their community. The members exhibited a level of confidence and insight which was reinforced by stakeholder interviews.

The Mayor has a strong focus on team building, encouraging robust and inclusive debate. The principle of collective responsibility is well respected. The elected members have a Code of Conduct which meets good practice standards, and there have been no formal complaints.

Council is also making strong use of committees and workshops. The elected members who chair committees have a range of experience but are respected for their risk-aware and "solution-focused" approach to chairing. The members have also taken a needs-based approach to external appointees to committees, which has brought expertise into key committees that supplement the members' perspectives.

There is potential to grow this talent further. While there is a strong induction programme for elected members, and use has been made of LGNZ and other governance training, elected members have a sense that a more targeted approach to their professional development would be beneficial – such as mentoring chairs in their specific roles. Similarly, while there is a level of informal performance appraisal around the table, a more formalised approach (using a 360 degree method) could give a stronger picture of current performance and capability, both collectively and individually.

## Effective working relationships

Internal working relationships appear healthy. The Mayor meets frequently with the Interim Chief Executive, and the committee chairs also meet regularly with senior managers, including to plan committee agendas.

There is evidence of robust, but respectful, council debate in building consensus based decision-making.

The organisational culture is reinforced by the commitment of both staff and elected members to the bicultural approach, embracing the values of whanaungatanga. Council has an opportunity to be an exemplar in this approach. In doing so, Council could also leverage off the work being done in the public sector to encourage a "speaking up" culture that enables staff to raise concerns safely within the organisation when they need to. That could, for example, include encouraging reporting of negative experiences outside the workplace, such as adverse social media comments.

## Focusing on health and safety

Council has developed a comprehensive, three-tiered health and safety framework. This meets good practice standards and is supported by a risk management process. Information is reported to the management-level Health and Safety Committee and to the Finance, Audit and Risk Committee.

Council employs a specialist Health and Safety Officer who is effective as a trainer and raises awareness with front line staff and contractors. There have been a number of new initiatives such as a Lone Worker Policy, improvements in data capture through the *Alpha* system and active monitoring and auditing of contractor health and safety performance.

There is, however, room to improve the level of monitoring and reporting beyond the transactional. For example, consideration could be given to auditing at a more systemic level, which would be of benefit in providing a snapshot to the Finance, Audit and Risk Committee on current performance. This would encourage elected members to discuss health and safety matters at a more strategic risk level, consistent with their statutory responsibilities under the Health and Safety at Work Act. The result could be a more strategic or system-wide approach to understanding and managing health and safety risks and performance improvement.

## Upping risk management

Management acknowledged the need for effective risk management governing its affairs. It has undertaken a more methodical approach in areas such as:

- Council papers requiring the risk associated with the matter at hand to be addressed; and
- A risk-based approach to the decisions around major network maintenance.

Council has complemented this approach with an independent member of the Finance, Audit and Risk Committee.

The approach has added substantially to the overall governance of risk. The general consensus of those spoken to is that risk governance and management is variable at this point in time, and that there is still a substantial journey in front of the Committee and Council as a whole.

The independent member is very experienced and Council and management are calling on his skills to overall upgrade the risk management response.

The elected members' Code of Conduct includes requirements for the declaration of interests by members, which are recorded in a publicly available register. Similarly, there is a Declarations of Interests Policy and a register of interests for staff. A relatively new Procurement Policy also has a section on probity, which refers in a general sense to the need to manage conflicts of interest in procurement situations.

While these documents reflect good practice overall, there would be benefit in improving the linkages and consistency between them so that a guiding set of principles about conflicts of interest can be seen as pervasive across the council. This is important for any small community, where perceptions of conflicts are inevitable and can create reputational risks (whether justified or not).

This could be done by expanding the Code of Conduct to require a declaration in relation to specific items or matters which could raise a conflict between the elected member's personal interests (whether financial or non-financial) and their role in relation to the item or matter. Similarly, the Declaration of Interests Policy for staff could be expanded so that it explicitly requires the declaration and management of interests in specific situations (such as procurement) where conflict risks are highest.

## Managing the organisation

Council's Chief Executive resigned just prior to the assessment taking place, however, Council was able to make an internal appointment of an Interim Chief Executive at short notice. At the time of the assessment, the Interim Chief Executive had been in the role approximately six weeks. He is held in high regard by both elected members and staff. With his communications background, he has been driving the community consultation on rates and service delivery, as well as the 2021-31 LTP planning process, while providing leadership in Council's bicultural focus and overall community engagement.

Because of this situation, the assessment was unable to review the elected members' performance management approach. The previous Chief Executive's performance agreement contained a comprehensive list of KPI's, and the recruitment process for a new Chief Executive will be an opportunity to develop new KPI's.

Given that Council has recently adopted a new set of community outcomes, an area for improvement in the agreement will be to

align the KPI's with the new outcomes and other relevant objectives, and to measure Council's success in implementing its bicultural approach.

Council is also fortunate to have highly capable staff in key positions. Many have returned to the district with their skills and experience; others have come to Wairoa because it is a good place to live. However, in serving a small and relatively isolated community, Council is vulnerable to overwork and loss of key staff. That risk is amplified by the inevitable exposure to interactions with members of the public outside work hours, and to negative social media feedback.

Council would benefit from developing and resourcing a human resources strategy to address these risks, aligning that strategy with the health and safety framework and the ongoing development of a safe and supportive work environment.

## Informing council decisions

The elected members expressed overall satisfaction with the information provided by management to Council. They have worked actively with staff to refine the approach to reporting. This involves the use of templates which encourage report writers to "see the issue through the right lens" and to avoid siloed thinking and reporting.

The assessment confirmed this - the templates and a sample of written reports were of good quality. Further development of the templates should continue to focus on system-wide reporting.

Staff feedback included satisfaction with being able to work directly with Council through workshops and committee items. As already noted, committee agendas are set in consultation with chairs, which is also good practice.

To build on the adoption of the new community outcomes and objectives, Council could consider ways to enhance the scope of its external performance reporting. This should include thinking about how to report at the level of the community outcomes, in anticipation also of the well-being reporting framework being rolled out from central to local government.



## Strengths

Council's elected members are representative of the community, in particular recognising the majority Māori population.

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There is effective use of independent members of Council committees, supplementing the risk-aware and solution-focused approach of the committee chairs. The Māori Standing Committee, with its marae-based membership, is an important source of guidance and advice.

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Council is running an outstanding process of engaging with the community on rates affordability and service delivery, leading into the 2021-31 LTP process.

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Working relationships between elected members and staff are good. Reporting to Council is also of good quality.

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Council has robust health and safety systems, with an emphasis on data collection, supporting staff in the field, and reporting to the Finance, Audit and Risk Committee.

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## Areas for improvement

While Council has a good induction programme for newly elected members, a professional development programme for each elected member would be of benefit – especially related to their specific council roles – and having a formalised approach to performance appraisal.

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There is room for improvement in the conflicts of interest management system, by integrating the existing interests' declaration processes with explicit disclosure requirements, for example, in sensitive procurement situations.

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While health and safety management is in place, there is an opportunity to move beyond transactional reporting and encourage strategic or system-wide consideration of health and safety risks.

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A comprehensive human resources strategy would have benefits for the organisation.

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# Investing money well

## Financial decision-making and transparency

Council recognises its key financial risk – its long-term sustainability. The Annual Plan set the scene – *“In preparing the ... 2021-31 LTP, serious consideration will need to be given to the long-term sustainability of Council activities and service levels...”* Elected members and management are determined to address the matter openly and transparently with the community.

### Priority grading

Variable

< Council has a small and settled Finance Team. It is working to develop the financial acumen of management and elected members to ensure sound financial decision-making and management of risks. This remains a work in progress. >

The major strategic financial risk faced by Council is its financial sustainability. Council is being true to its 2020/21 Annual Plan and tackling the issue head-on. It is undertaking two pre-LTP consultations over its rating framework and defining affordable levels of service with its community. A strong underlying theme of these two consultations is also to inform and educate the community to enable effective engagement with the issues.

### Planning and evaluating financial goals

In a financial context, Council considers its value proposition to be the sum of its provided service level and the cost of delivering it. The Finance Team seeks to support evaluation of that proposition by providing regular financial and non-financial (level of service) reporting to staff, management and elected members.

The Finance Team works with activity managers to assist in their understanding and use of both financial and non-financial reports to better manage their work.

The financial metrics are also an important part of the 2021-31 LTP consultation with the community. However, preparation of a new financial strategy, together with a new infrastructure strategy, has fallen behind schedule due to uncertainties around future levels of external funding.

Council has acknowledged that it is looking to improve its non-financial framework to establish more real-time metrics of performance.

The independent member of the Finance, Audit and Risk Committee adds support to the quality of the oversight of this information and the Council's use of it.

### Assessing the financial data

Council self-described it's working with financial data as a work in progress. Showing good self-awareness, a member reflected that “[Council] still had a substantial journey to make”. While there is regular reporting, the Finance Team is still working to ensure that regular financial and non-financial information is integrated into individual activity teams' management and assessment of performance.

Some staff described a risk of management accounts appearing to be “accountant-ese”, or full of jargon. While this is common across organisations, it does mean some of the monthly reporting appears to have been prepared more for the Finance Team's purposes than for the users or Council.

The Finance Team is fully aware of this view and continues to seek to work with activity managers to educate and enable a greater understanding and use of the financial data. That does require time and the Finance Team is devoted to this task.

At an elected member level – in part due to the work of the Finance, Audit and Risk Committee – there is a good appreciation and understanding of financial and non-financial data. This is demonstrated in Council’s approach to the 2021-31 LTP where such information will form the basis of discussion with the community.

## Addressing financial risk

Elected members are aware of financial risks. They are supported by the independent member of the Finance, Audit and Risk Committee, who is an experienced local authority financial consultant. He brings substantial experience to the role and his input to Council matters includes an educative role.

Further, staff demonstrated a reasonable level of financial risk-awareness. Risk assessments are a standing item in agenda papers.

As noted in the “Leading locally” priority area, Council has effectively placed financial risk – in this case its long-term financial sustainability – at the centre of its 2021-31 LTP consultation with the community, and is being transparent on this matter while seeking a constructive debate about how to address the risk and mitigate it.

## Balancing the budget

The Wairoa district has a small population and ratepayer base and is relatively isolated. Council displays the challenge of many smaller, rural local authorities of maintaining their financial sustainability. This is demonstrated in the audited 2019/20 Annual Report which shows Council has been consistently unable to meet the ‘balanced budget’ test in three out of the last five years.

The challenge is best demonstrated by the outturn in the 2019/20 Funding Impact Statement which discloses an operating deficit of \$2.48 million. While the result was impacted by some costs associated with capital projects, even if these costs were eliminated, it does reflect the marginal operating basis on which Council operates.

The position is being tackled head-on with the community through the 2021-31 LTP consultation, preceded by the rating review and then the review of service delivery levels. It reflects the seriousness with which Council is looking at all matters as a key financial risk to the community.

The Council recognises that while much good work is being carried out in the community by its staff, the long-term cost of delivery of its services, some of which have increasing statutory requirements associated with them, is problematic. There is a need for the community to address this matter collectively with Council.

## Meeting financial targets

Council has performed well through 2020, despite the impacts of COVID-19. Its financial performance is skewed by the underlying financial challenges it faces, as discussed above. However, Council regularly monitors and is fully aware of its financial performance and position.

Its 2019/20 financial performance was assisted by the Provincial Growth Fund-related funding and associated capital work referred to in the “Leading Locally” section. In excess of \$15 million of funding was approved. The funding enabled Council to employ four extra technical staff to help commence and push through this work.

## Being clear and transparent

Council’s commitment to external accountability is strong. This is evident in its current planning and preparedness to confront its financial position, including a separate consultation on the reasonableness of its rating policy with the community, where much of the discussion is about how much the community can, and is prepared to, pay.

This is supported by good public accountability. To its credit, Council’s audited Annual Report was adopted on 20 October 2020, well within the ‘normal’ statutory deadline and certainly the COVID-19 extended deadline for 2019/20 reporting.

## Strengths

Council has recruited and retained a small and competent Finance Team.

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There is a commitment to effective financial management reporting while being aware that not all staff necessarily are familiar or comfortable with accounting and the associated processes. There is a strong commitment to developing good financial management disciplines.

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Elected members demonstrate a sound understanding of Council's financial position and risk, with a commitment to work through the issues with their community.

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Council engages external support where warranted or desirable – for example, it has an independent member of its Finance, Audit and Risk Committee and has engaged an external expert for its rates review.

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Council's timely reporting and its approach to being upfront with the community about its financial challenges has helped engender community trust and confidence.

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## Areas for improvement

The Finance Team is small and Council is vulnerable to the loss of key personnel. Staff continuity and succession planning for Finance should form part of a comprehensive human resources strategy.

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Senior management and elected members should support and maintain the Finance Team's initiatives to educate and enable activity managers to increase their financial management competency.

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Council has a fundamental and difficult challenge in funding its future levels of service. Council is aware of its need for a new financial strategy to support the implementation of the new LTP. Elected members will need to display ongoing leadership and focus, especially as Council reaches decisions on the pathway forward with its community through the 2021-31 LTP consultation process.

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Council could consider ways to enhance its non-financial reporting, on the back of its adoption of the new community outcomes and objectives.

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# Delivering what's important

## Service delivery and asset management

Council has been effective in leveraging central government funding for a number of major infrastructure projects. It has done this through a planned approach and the trialling of business cases, which have recognised community and cultural, as well as economic, benefits, and through strong relationships with key stakeholders. It remains to be seen whether this level of external funding can be sustained in the post-COVID-19 economy. This creates a level of uncertainty, which has impacted the development of a new infrastructure strategy and delayed the progress of a new financial strategy.

### Priority grading

Competent

< Council has been on an internal programme of improving its management information of core asset and network systems since 2016. This is helping in the current debate over levels of service and long-term sustainability. >

Successfully gaining substantial funding from the Provincial Growth Fund has greatly assisted Council in the delivery of its services to the community. The funding has either brought forward planned works or enabled new work, avoiding or reducing the need for funding by way of debt and/or from the ratepayer. Further, Council has been able to engage four additional technical staff to drive these programmes.

However, this does not mask the challenge – and, to its credit, Council has not shied away from this challenge – that ongoing delivery of affordable services is a significant risk. This is recognised in the draft infrastructure strategy, which identifies existing gaps in service levels while making the assumption that legislative requirements will continue to be met.

Council is embarking on a consultation with its community on levels of service. It is aware that it has services with significant compliance requirements and substantial cost. In a recent media release associated with the launch of the consultation it noted: *“There are certain set costs we can't avoid, and we want people to understand the broad range of services Council provides and the costs of big-ticket items like transport, three waters, compliance and leadership/governance.”*

### Monitoring and assessing service levels

In the context of the consultation, Council has demonstrated its commitment to understanding levels of service. By its own acknowledgement, effective monitoring and managing of service delivery is a work in progress. Management is committed to measuring the “value proposition”, and non-financial performance is integral to that process.

Council is encouraged to continue this development path.

## Improving data quality

We were told that at that point in 2016 “a lack of knowledge caused by a lack of data made assets seem cheaper”. Clearly that matter needed to be addressed.

In 2018, Council commissioned an independent study into its progress which confirmed improvements were occurring.

Further, its improvement path has been confirmed externally by its roading stakeholder. Waka Kotahi has indicated general satisfaction with the quality of data Council holds for its roading infrastructure. This is pleasing, as roading represents Council’s largest asset network system.

The improved quality of data will help inform:

- Moving asset management from being reactive to proactive; and
- The quality of the non-financial information enhancing monitoring, assessing effectiveness of asset performance and the quality of decision-making.

The assessment also noted that Council has sought external expertise to help it and has made an external appointment to the Infrastructure Committee. Elected members consider that very valuable in assisting with planning for and monitoring service levels.

## Assessing service quality

A key theme of this assessment centers around Council’s current planning to review service levels and their ongoing affordability for the community.

Service quality has been significantly aided in 2019/20 by funding from the Provincial Growth Fund. Even though that enabled work to be brought forward, many at Council acknowledged the work being done may not have otherwise been possible – despite its prior inclusion in the 2018-28 LTP.

Council does monitor service level quality through use of the standard network-based performance measures. Elected members also have a direct understanding of quality through “being in” the community. Staff also noted this for themselves – although it can be uncomfortable if service performance is not always seen as acceptable by the public.

Council’s work programme for 2020/21 is dominated by its network assets – both in terms of current levels of service and in terms of future arrangements:

### Roading

The routine issues of bridge renewals and strengthening, dust suppression and LED lighting are being managed well. The Provincial Growth Fund has provided impetus over some key projects such as the Patangata Bridge replacement and the Māhia East Coast Road traction sealing. Council has also sought to further its desire to build local capability and has sought to

develop arrangements with its works subsidiary, *QRS*, and other contractors to develop and retain local staff.

### Three Waters

The future reform of this sector is important to Council and the service the community receives. Council is participating in the reform process, recognising that the Hawke’s Bay region has been at the forefront of the current national initiatives. Council has been active in its participation. However, the nature and quality of water supply also must be addressed, and this is reflected in its renewal programme and development of supply and treatment systems. Council is applying a risk focus to the nature of the work, which is an improvement on its previous approach to asset management.

### Community facilities

While infrastructure dominates, community facilities are also recognised as important. Council contributes funding to community organisations such as the Sports Hub, but its key projects are the CBD upgrade in Wairoa and the project to bring the Library and Archives under a single roof. The latter project reflects a challenge for Council due to the cost. The Library has a vision based on digital communication – helpful in a community where deprivation means many households do not have private access to the internet and where some locations still do not have internet/mobile coverage. The intention of the project is to also enable the historically valuable archives to be accessed, which is currently not possible due to their location. After accepting the business case, Council provided \$1.9 million in its current LTP while the community must raise another \$2.7 million.

### Solid waste

Council operates a landfill through contractors and must deal with the ‘shock’ of increased volumes over each summer break. Tourism Infrastructure funding has enabled a recycling centre to be established. Council uses a national contractor to run the landfill but has sought to encourage local contractors in rubbish collection. These contractors supplement those contracts in some places with reserves maintenance such as grass cutting. This has the double benefit of promoting localised employment opportunities.

### Environmental Health

Generally, Environmental Health is well managed. Again, with an eye to service quality and supporting local communities, Council has built on its iwi relationships which it has extended into joint activities, as it has with other key stakeholders. Council has, for example, partnered with marae on the Māhia Peninsula to implement the freedom camping by-law, using a combination of on-the-ground interaction with campers by iwi members backed up by Council enforcement action when necessary.

This is part of an approach of seeking community cooperation, rather than incurring costs associated with conflict. This is also reflected in Council’s approach to dog control, where owners able

to show good dog control receive a 10 per cent discount on dog registration fees.

## Addressing regulation

Council operates under a “first generation” District Plan which became operative in 2005. Consequently, Council has incurred expense in ensuring its provisions are relevant and not contested.

Council has a policy of assistance and negotiation with applicants to avoid cost. Despite this, Council has generally provided a timely service on resource consents.

The fee recovery rate is about 70 per cent (as it is for building consents). Council is looking at whether it can increase that rate.

While this approach is pragmatic in the face of a “first generation” District Plan, it will need to address the relevance and currency of the District Plan. It has commenced a review.

Council has a small Building Control Authority issuing approximately 160 consents annually. It has joined the *Alpha* network and developed a supporting arrangement with Westland District Council to assist in meeting demand which also provides a level of resilience for the Building Control Authority. However, consistent with its employment practices elsewhere, Council does seek to ‘grow’ its own capability and capacity which includes an internship programme seeking to provide a career path for locals that can fill traditionally difficult sector roles.

Council received its last IANZ accreditation in 2020 and will next be assessed on a normal cycle in 2022.

## Assessing capability and capacity

Council’s capacity is limited – it has a staff complement of 67 full-time equivalents. Individual employees fill critical roles with limited ability to cover key roles by other staff. For some prospective employees, Wairoa feels too isolated.

Council is not apologetic about its difficulties in recruiting external candidates and it is active in an approach to develop its own people. Council’s CCO, QRS, seeks to operate with the same values – to provide meaningful employment to its local community. Both are seeking to provide career pathways and “not just another job”. As one elected member put it, “*we don’t want to be labourers anymore*”. In an area where skills cannot necessarily be easily filled, this is a positive approach.

Council nevertheless recognises that not all capability can be held within Council and it has built effective relationships with stakeholders to seek contributions to the community – this is especially so with iwi.

Similarly, as noted previously, Council does engage appropriate expertise where needed and relevant to both governance and management. Examples were given of where this external expertise has been helpful in providing new insights into how service delivery can be improved.

Council has also taken steps to upgrade its monitoring of capital delivery – this includes employment of a project manager.

## Capital investment decisions

Council is seeking to make decisions based around developed business cases. It may not have the skill in-house for all cases and will call on external help when needed. External stakeholders have provided Council support in developing business cases.

Council has shown itself adept in this work. Obtaining funding on the Patangata Bridge reflected its developed thinking to articulate broader benefits – in this case social and cultural – to justify funding which was accepted by the Provincial Growth Fund. That approach attracted positive comment by stakeholders to the assessment team.

Business case development capability will remain important to Council, especially as it moves to implement its decisions on affordable levels of service which will require strong justification for spend and will need to be supported by sound data.

## Strengths

Council has embarked on improving the asset information by which it plans and manages.

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Levels of service measures are held as integral to monitoring and management and there is a programme to improve their quality in the 2021-31 LTP.

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Council has been successful in obtaining substantial external funding to advance its capital plans, including initiating work it may otherwise not have been able to afford.

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In conjunction with its CCO, Council is working to develop the local skill base, at the same time as developing effective stakeholder relationships which contribute to community well-being. It seeks external expertise where needed.

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## Areas for improvement

Council needs to see through its improvement programme of asset data and level of service measures.

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Council will need to continue seeking outside expertise, in particular to deliver on its ambitious plans for the 2021-31 LTP to be based on a proactive, rather than reactive, asset management basis.

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Council is beginning a long overdue review of the District Plan. It is a substantial undertaking but should be pursued to enable the development of its community.

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Council needs to closely monitor capital delivery given the extensive external funding it has received to ensure it meets its stakeholders' as well as its own expectations.

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# Listening and responding

## Communicating and engaging with the public and businesses

Council places significant emphasis on its communication and engagement activities. It can be seen as a leading organisation in its engagement with Māori in the bicultural context. The outcome of its efforts is a community that is positively engaged and appreciative of its Council, and that is ready to contribute to the difficult decisions on service delivery levels under the 2021-31 LTP.

### Priority grading

Performing well

< Council's stakeholder management is very effective although still developing in some areas. Its engagement with iwi and hapū is outstanding. A stronger focus on its relationship with the business community, including post-settlement iwi organisations, could help in promoting the district and leveraging development opportunities. >

Council appears to be communicating effectively with its community in relation to its core services. This is reflected in the high levels of voter participation in the 2019 elections. Its website is of a high standard. Council is also recognised as the regional leader in its Māori engagement approach. Iwi and hapū relationships are mostly positive, as measured by regular

interactions and a willingness by iwi to challenge Council on matters of concern.

Council's regional contribution is well recognised and appreciated, including by staff of other councils and central government agencies.

As noted previously, Council relies on its CCO, QRS, to promote employment opportunities in the district. Council, however recognises that more work needs to be done to promote relationships with other elements of the business community, as well as some iwi organisations.

A project to refresh its Communications Strategy and Māori Policy could have benefits in enhancing partnerships and promoting the region. This would also be an opportunity to enhance Council's management of social media use in the district.

### Planning effective engagement

Council's Communications Strategy recognises a wide range of communication preferences in the community. These include the local newspaper, the Council website and Facebook page, but also more traditional face-to-face interaction which older people prefer including on the marae.

The Communication Strategy is of a high standard, professionally developed and comprehensive, and has been implemented successfully – as exemplified by the recognition of Council's work with a wastewater stakeholder group in 2018, at the LGNZ Excellence Awards in 2018.

The Strategy is supported by the Māori Policy. That policy is pivotal to Council's bicultural values and engagement.

While still effective, both of these documents are in need of renewal, as they pre-date the 2018-28 LTP, and Council's subsequent adoption of a new set of community outcomes and objectives.

## Engaging with the community

Council has used its accountability documents effectively, including to communicate key issues facing the community. The 2020/21 Annual Plan is attractively presented. It contains clear messaging about Council's strategic direction, its objectives for the year (aligned with year 3 of the 2018-28 LTP), and the intention to review the rating system to address issues of affordability in preparation for the forthcoming LTP process. This is supported by comprehensive and simply expressed information about rates expenditure (headed "What makes up your rates"), and examples for selected sample properties from different rating categories. The Annual Plan thus lays the groundwork for that engagement process which is now under way.

The engagement process is also likely to produce positive learnings. These include having timed the rates review as a prelude to the consultation on future service delivery, leading them into the 2021-31 LTP process itself, and demonstrating a "listening" approach with the use of simple terminology to explain and de-mystify what is meant by service levels and affordability. The approach is enabling Council to be open with the community about the challenges it faces in maintaining service levels (especially in relation to the three waters) and funding ongoing infrastructure development.

Effective communication also appears to have been at the heart of Council's response to the COVID-19 crisis. It responded in a "typically Wairoa way", with an approach centered on the use of iwi centers throughout the district as points of delivery for essential services. This won acceptance throughout the community, including by the non-Māori population.

## Engaging digitally

Council has an effective and well-functioning website, which is built on the award-winning regional platform hosted by the Hawke's Bay Regional Council. The site has a good level of interactivity.

Council's Facebook page uses a combination of "push" and "pull" communications to drive users to the website and encourage the use of online submissions and raising of service requests, while also providing information about service disruptions.

However, as with other councils, the approach to social media use both by Council and by the public is challenging and Council is still "finding its feet". Like all communities, Council is not immune from members of the community using social media to air grievances against Council and sometimes individual staff. Staff feedback during the assessment indicated that they are not always able to avoid noticing, or turn deaf ears to, those communications. That could usefully be addressed in the review of the Communications Strategy, but also as a health, safety and wellbeing and workplace culture matter.

Many of the elected members communicate with their constituencies through personal social media channels. However,

members are aware of the need to separate those communications (ie as elected members in a personal sense) from the official communications of Council in accordance with the social media guidelines in the Code of Conduct.

The assessment did not hear of any incidents of inappropriate use of social media by elected members or staff.

## Reputation

For some years Council has used regular *Communitrak* surveys to measure satisfaction levels in the community. These have produced very good results, an example being the consistently high (90 per cent plus) satisfaction rating for the district Library. However, Council recognises the survey's limited information base, and is rightly considering alternative means of measuring reputational strength.

Council's reputation in the region is good. Its contribution is well recognised and appreciated, including by other councils and central government agencies (such as Waka Kotahi New Zealand Transport Agency) who describe Council staff as responsive and always conscientious in what they do. This has undoubtedly contributed to Council's ability to leverage external funding for key projects such as the Māhia highway realignment.

## Communicating through the media

Council has a defined set of media protocols, which apply to both elected members and staff. There is clarity about who is entitled to speak on behalf of Council. The Mayor is the primary spokesperson, and his voice appears to be respected in the community. There is only one local newspaper, and this is used regularly to communicate Council decisions.

During the COVID-19 lockdown, Council implemented a public information management system which became a key communications portal for the community.

## Building relationships with Māori/iwi/hapū

Relationships with Māori and iwi are, for obvious reasons, a high priority for Council. Council is respected throughout the region, and beyond, as a leader in this work.

Effective relationship building with the Māori community requires a multi-faceted approach, involving interaction with iwi organisations and separately with hapū, as well as individuals and whanau in relation to their own interests. Council does this effectively, by identifying post-settlement agencies as key stakeholders and partners in social and economic development while also using the Māori Standing Committee (which has iwi representation drawn through the network of marae across the district) as a source of internal advice, guidance and feedback.

The Committee plays a prominent role in Council's governance structure. The chairperson stressed during the assessment the importance of the marae-based foundation to its work. There are currently 37 operational marae with mana whenua responsibilities

within the Wairoa district. The marae cater to the needs of individual hapū and hapū groupings when required. Engagement with marae is considered vital when addressing issues relating to a particular marae area, and this is reinforced by ensuring that members of the Māori Standing Committee are appointed following a careful process of engagement and consultation. The assessment team was able to observe a hui at a marae where the nomination process for committee members was being discussed. The hui demonstrated a significant level of interest from marae members.

While the Māori Standing Committee is one mechanism for Māori participation in decision-making, the model does not preclude Māori using other avenues to enhance that involvement. To support its engagement with Māori, Council employs a full-time Māori Relationship Manager, whose role is to provide cultural advice and engagement between Council and its committees and Council staff and the community, with a particular focus on Council activities and the relationship with Māori across the district. This includes identifying events which may require an official Council presence and notifying the Chief Executive and Mayor.

The Māori Relationship Manager also provides communication support to Council and Council staff, ensuring all Council documentation and external communications adheres to the highest standard of te reo Māori me ona tikanga (the Māori language and its protocols).

The relationships extend into joint activities with key stakeholders. This includes, for example, partnering with marae on the Māhia peninsula to implement the freedom camping by-law.

There remain particular challenges in working through with Tuhoe iwi the ongoing issues about State Highway 38, and how to realise a joint iwi and Council vision for the highway and the vastly significant area it services.

In all, this is a strong model of engagement which reflects the strength of Māori interests in the community and Council's bicultural approach.

## Building relationships with the community

Council acknowledges there is room for improvement in its engagement with the business community. Limited Council resources have been devoted to this area, despite the existence of an Economic Development Committee for a number of years and a range of projects in the LTP. Recent staff appointments are intended to address capacity issues, but this could usefully be supported by an engagement strategy.

There is also the opportunity in the post-Tiriti o Waitangi settlement environment to work more effectively with iwi partners on a revitalised and reinvested economy.

### Strengths

A relationship of trust and confidence generally exists between the Council and the community, which is underpinned by Council's bicultural approach, its Communications Strategy, and well-resourced Māori Policy.

The Council is committed to Māori/iwi/hapū engagement, through a multi-faceted approach including the Māori Standing Committee.

The Council uses high quality written documentation in its communications with the community which is visually appealing and distinctively local, including the use of te reo Māori and de-mystified information on rating and service delivery.

The Council has a well-functioning website and Facebook page, supplementing the more traditional forms of communication including on the marae.

A good relationship exists between Council and regional and central government stakeholders.

### Areas for improvement

The Communications Strategy and Māori Policy could usefully be refreshed, to embrace the new community outcomes and revised objectives since they were adopted in 2017.

Council could also address the need for stronger engagement with the business community, including Post-Settlement iwi organisations, to explore partnering opportunities and promote the district.

Like all Councils, Wairoa could usefully focus on enhancing its social media strategies and policies, including in relation to social media commentary about Council and its impact on staff.

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