

HOW DO THE FFLG REPORT RECOMMENDATIONS STACK UP?

In June 2023, the Future for Local Government Panel released its final report.

LGNZ’s 2023 AGM agreed that local government should develop a consensus position or positions on the Panel’s recommendations to put in front of the incoming government. Together we’re aiming to produce a powerful advocacy position that local government can unite behind, covering all aspects of the report but not necessarily agreeing with every recommendation. For example, there may be aspects of the report that collectively we think need to change, and there may be things not addressed in the report that we think we need to be part of a package of change. While we understand the ambition of this task given the range of views in local government, there will be value in challenging ourselves – and being clear about where we think differently from each other, and why.

To help generate that consensus position, we’ve analysed the Panel’s recommendations from a local government point of view. This document sets out the pros and cons of each recommendation, as well as posing some questions for you to consider. The table below also looks at the probable level of support each recommendation has from both local and central government. These are based on all the engagement we’ve done on FFLG over the past two years including multiple workshops, submissions and analysis of councils’ submissions. We’ve suggested some potential broad-brush categorisations:

- ✓ = Likely to be broad/strong levels of support
- ✗ = Unlikely to be broad/strong levels of support
- ? = Uncertain – and may depend on the makeup of the incoming government

Recommendation	What does this recommendation mean?	Pros and cons	Potential LG support	Potential CG support	Questions to ponder
#1 Entrench the purpose of local government, as set out in the Local Government Act 2002, to embed intergenerational wellbeing and local democracy at the heart of local government.	<p>The Local Government Act 2002 (LGA) sets out the purpose of local government: “to enable democratic local decision-making and action by, and on behalf of, communities and to promote the social, economic, environmental and cultural well-being of communities.”</p> <p>However, it’s possible for Parliament to change the purpose of local government with a simple majority. In 2013, a National-led Government changed the purpose of local government: “to meet the current and future needs of communities for good-quality local infrastructure, local public services and performance of regulatory functions in a way that is most cost-effective for households and businesses.”</p> <p>Many councils continued to focus on promoting the social, economic, cultural and environmental wellbeing of their communities by relying on local government having the power of general competence, which says that councils can choose what activities to undertake and how to undertake them.</p> <p>Then in 2019, a Labour-led Government changed the purpose back to enabling democratic local decision-making and action by, and on behalf of, communities and to promote the social, economic, environmental and cultural well-being of communities. The focus on promoting wellbeing sits alongside and guides councils’ obligations to provide infrastructure to their communities.</p> <p>Entrenching the purpose of the LGA means that any change to the purpose would need the support of a 75% super majority of Parliament.</p>	<ul style="list-style-type: none"> ↑ We’ve heard support from councils for local government’s ‘wellbeing purpose’. ↑ Entrenching local government’s purpose would give local government constitutional recognition and formalise local government’s role and purpose. It would help to recognise local government as an autonomous arm of government. ↑ It would also give local government a stronger mandate. ↑ It would avoid potential for repeated changes to local government’s purpose, at the whim of politics. Repeated changes make it difficult for councils to operate to their full effect. ↑ The current purpose is enabling and supports close connection with communities – changes to the purpose might narrow the scope of local government to focus more on central government priorities. ↓ Society, circumstances, and priorities can change. Entrenchment would make it more difficult for the purpose of local government to evolve to meet changing circumstances and priorities. 	✓	✗	<p>Is the current purpose of local government sufficiently broad that it would still be relevant even if there was a change in circumstances and/or priorities?</p> <p>Are there any other provisions in the LGA that you think should be entrenched?</p> <p>Should the LGA itself be entrenched – so that any decision to substantially amend or repeal and replace the LGA requires the support of a super majority?</p>

<p>#2 Introduce statutory provisions to reinforce and give effect to the purpose of local government in the Local Government Act 2002, by:</p> <ul style="list-style-type: none"> ▶ councils setting wellbeing goals and priorities each term, in conjunction with community and hapū/iwi and Māori 	<p>It also means implementing this recommendation would require 75% of Parliament to support.</p> <p>At the moment, there's no explicit requirement for councils to set wellbeing goals and priorities each term with their community and iwi/hapū/Māori. This means councils' approaches vary.</p> <p>But we know that a large number of councils are actively engaging with their communities and iwi/hapū/Māori to set wellbeing goals and priorities, including through long-term plans. Long-term plans set out the outcomes that the council wants to achieve for its community. These outcomes help to inform the decisions that councils make about investing in infrastructure.</p> <p>The Panel's view is that requiring councils to work with their communities and iwi/hapū/Māori to develop wellbeing goals and priorities would help to ensure that councils fulfil their purpose. It would also help councils to ensure that the services they provide are designed to meet the wellbeing needs and priorities of their communities.</p>	<ul style="list-style-type: none"> ↑ Would help guide and prioritise decision-making by councils about the services that they're providing to their communities. ✓ ↑ Is a way of more actively engaging communities and iwi/hapū/Māori in local government decision-making. ? ↓ Setting wellbeing goals and priorities with communities and iwi/hapū/Māori is potentially a costly and time-consuming process. ↓ Wellbeing goals and priorities have the potential to change regularly depending on external circumstances, including political preferences. 	<ul style="list-style-type: none"> Is a specific statutory requirement to set wellbeing goals and priorities a good idea, or is more flexibility preferable? How would these wellbeing goals and priorities relate to or be different from the community outcomes included in councils' LTPs?
<p>#2 Introduce statutory provisions to reinforce and give effect to the purpose of local government in the Local Government Act 2002, by:</p> <ul style="list-style-type: none"> ▶ central and local government committing to align wellbeing priorities and agree place-based investment plans. 	<p>Investing in meeting communities' wellbeing needs and priorities is important to local government – we heard that from you in our engagement on the FFLG. But we've also heard that councils often find that central government's investments are not geared towards the needs and priorities that communities have.</p> <p>This recommendation presents an opportunity to think more broadly about the future of the public service in New Zealand and how central and local government can best work together to deliver good outcomes for communities.</p> <p>There's currently no consistent or mandated approach for how central and local government should work together to align wellbeing priorities and agree place-based investment plans that meet those priorities. This means that there's often a lack of alignment between central and local government's priorities and investments.</p> <p>Some councils are working closely with central government agencies to align priorities and invest in communities, for example there are Urban Growth Partnerships between central government agencies, councils and mana whenua in Greater Christchurch, the Waikato, Bay of Plenty and Queenstown.</p> <p>The Resource Management Reforms will introduce mandatory regional spatial planning, and require the councils in a region, along with mana</p>	<ul style="list-style-type: none"> ↑ Would ensure that investment by central government actually meets the needs and priorities of local communities – and avoid duplication. ✓ ↑ Central government can draw on local government's knowledge: given their proximity to communities, councils are best-placed to work with communities to identify their priorities and needs. ? ↑ Would potentially strengthen the relationship between central and local government. ↑ Provides local government with a way to be involved in central government planning and decision-making – rather than just being a delivery arm. ↓ May make planning decisions more time consuming and difficult. ↓ Likely to be challenges getting alignment between central government agencies – local government would need central government to come to the table with a 'joined up' view of things. ↓ Potential for regional approaches to overlook unique local circumstances and needs. 	<ul style="list-style-type: none"> Would you see setting of wellbeing priorities and development of place-based investment plans happening at a regional scale, or with individual councils? Could the recommendation align with regional spatial planning? What should happen if councils' community wellbeing priorities differ from central government's? Would you prefer an approach where central government is required to agree to support and fund the wellbeing priorities worked out by councils with their communities and iwi/hapū/Māori?

	<p>whenua and central government representatives, to set out how regions will grow, adapt and change over time and how land, infrastructure and other resources will be used to promote the wellbeing of people, the environment and economy. Spatial planning will be supported with implementation plans and agreements to support the delivery of agreed actions.</p> <p>Although regional spatial planning will look at things from a regional, rather than local, perspective, there could be opportunities to think about how the Panel’s recommendation for place-based priorities and investment plans could align with the shift to regional spatial planning. Alternatively, central government could agree to supporting and funding local government to deliver the wellbeing priorities it has agreed with its communities and iwi/hapū/Māori.</p>				
<p>#3 Introduce new provisions in the Local Government Act 2002 that explicitly recognise local government as a partner to Te Tiriti o Waitangi and te ao Māori values to strengthen authentic relationships in the local exercise of kāwanatanga and rangatiratanga.</p>	<p>The LGA does not explicitly recognise local government as a partner to Te Tiriti o Waitangi. Instead, section 4 talks about the need for local government to fulfil certain requirements around Māori participation in decision-making in order to recognise and respect the Crown’s responsibility to take appropriate account of the principles of the Treaty of Waitangi.</p> <p>This recommendation talks about explicitly identifying local government as a Te Tiriti partner. It relates to recommendation 4, which talks about partnership frameworks and giving effect to the principles of Te Tiriti (an obligation that sits with the Crown as a Treaty partner). However, while this recommendation suggests that local government should be named as a Treaty partner, most the Panel’s report talks about Te Tiriti-based partnership and growing partnerships between local government and iwi/hapū/Māori. Arguably those are two different things so there is a need for some clarity.</p> <p>This recommendation also talks about te ao Māori values being woven into the system of local government.</p>	<ul style="list-style-type: none"> ↑ Recognises and builds on the fact that many councils already see themselves as a Te Tiriti partner and are working in partnership with iwi/hapū/Māori. ↑ Also recognises and builds on the work councils are doing to build te ao Māori values into their ways of working. ↑ Would support iwi and hapū to exercise kāwanatanga and rangatiratanga. ↑ Would help to achieve consistency with other legislation that relates to local government, such as the Water Services Entities Act and Natural and Built Environments Act. ↑ Creates an opportunity for councils to do things in new ways. ↓ Lack of clarity as to what being a Te Tiriti partner means in practice for councils. ↓ May significantly raise expectations that councils don’t currently have the capacity or capability to meet. ↓ Lack of clarity as to the difference between partnership and relationship. 	<p>?</p> <p>?</p>		<p>Is more clarity need about what being a Te Tiriti partner means?</p> <p>What support and resourcing would councils need to fulfil their obligations as Te Tiriti partners?</p>
<p>#4 Introduce a statutory requirement for councils to develop partnership frameworks with hapū/iwi and Māori to give effect to</p>	<p>The LGA requires councils to maintain and improve opportunities for Māori to contribute to decision-making processes. It also requires councils to consider ways they may foster the development of Māori capacity to contribute to decision-making processes (Section 4, referring</p>	<ul style="list-style-type: none"> ↑ Councils given more certainty and clarity around the need for partnership with iwi/hapū/Māori. ↑ Reflects work local government is already doing to 	<p>?</p> <p>?</p>		<p>What does “partnership” mean, and how is it different from “relationship”?</p>

new Te Tiriti provisions in the Local Government Act 2002 that create new governance arrangements and complement existing ones.

to provisions in Parts 2 and 6 of the LGA). Section 4 describes these requirements as existing in order to recognise and respect the Crown’s responsibility to take account of the principles of the Treaty of Waitangi.

Currently there is no explicit requirement for councils to:

- Give effect to the principles of Te Tiriti; or
- Develop partnership frameworks with iwi/hapū/Māori.

Many councils already partner with or have relationships with iwi/hapū/Māori. However, approaches across the country are ad hoc and variable. Some approaches are formal, others more informal. This is partly because they need to reflect the unique circumstances of councils and iwi/hapū/Māori.

The Panel says partnership should mean:

- Shared decision-making between hapū/iwi and councils in areas of shared priority that relate to Māori rights and interests.
- Growing hapū/iwi capacity.
- Creating the right conditions and spaces for councils and iwi and hapū to collaborate, tell stories of the places they are connected to and passionate about, and build a shared understanding of local whakapapa.
- Māori citizens expressing their culturally specific preferences for services, representation, and participation.
- Creating a greater level of transparency and accountability for both partners.

The Panel says partnership frameworks and the process for developing them could include:

- Outlining the working relationship between councils and hapū/iwi and Māori.
- Providing a mechanism to voice individual priorities and agree on joint priorities. This could include opportunities for iwi, hapū, or Māori organisations to deliver services relating to their values or priorities.
- Confirming ways of working together to streamline council engagement practices, complement and strengthen existing and evolving arrangements (such as Treaty settlements), and collectively deliver greater outcomes to and for the community.
- Confirming appropriate governance arrangements, including but not limited to hapū and iwi representation on the council.

Water services and resource management reforms create new opportunities for partnership between local government and iwi/hapū/Māori. Mana whenua representatives sit on the regional

partner with iwi/hapū/Māori. Putting in partnership frameworks might not be new for many councils but would enhance existing work and relationships.

- ↑ Provides an opportunity for better alignment with water services and resource management reform.
- ↑ Provides an opportunity to increase diversity of people involved in local government decision-making – to better reflect the diversity of communities.
- ↑ Introducing a requirement for councils to give effect to the principles of Te Tiriti would be consistent with water services and resource management legislation.
- ↓ Need the requirement to develop partnership frameworks with iwi/hapū/Māori to reflect the need for a range of approaches to partnership – one size fits all won’t work.
- ↓ Lack of clarity around what partnership with iwi/hapū/Māori looks like and how partnership differs to a relationship – needs further work.
- ↓ Lack of clarity around what local government giving effect to the principles of Te Tiriti means – needs further work.
- ↓ Councils need additional resourcing to support them to develop capability and capacity to partner with iwi/hapū/Māori.
- ↑ Capacity challenges for iwi/hapū/Māori may make it difficult for them to partner with local government – additional resourcing likely to be needed.

What are the things that concern you about partnering with iwi/hapū/Māori?

What resourcing or support would your council need to grow its capacity and capability to partner with iwi/hapū/Māori?

What elements do you think a partnership framework should capture?

	<p>representation groups established for the water services entities (50/50 local government and mana whenua representation). There will be a requirement for a minimum of two mana whenua representatives to sit on each of the regional planning committees. There's an opportunity to think about how these partnership arrangements are consistent with (and enable or undermine) existing partnership arrangements that councils have with iwi/hapū/Māori.</p> <p>The Water Services Entities Act and the Natural and Built Environments Act place a requirement on all persons performing duties, functions or powers under those Acts to give effect to the principles of Te Tiriti o Waitangi. This recommendation presents an opportunity to align the LGA with those requirements.</p>			
<p>#5 Central government leads a comprehensive review of requirements for engaging with Māori across legislation that impacts local government, considering opportunities to streamline or align those requirements.</p>	<p>Local government is a creature of statute, with legislation setting out councils' obligations. Different pieces of legislation set out different obligations for engaging with iwi, hapū and Māori.</p> <p>This recommendation identifies an opportunity to align all obligations on councils and achieve more consistency. It presents an opportunity to make sure engagement works for both local government and for iwi/hapū/Māori, who are overburdened by multiple requests from central and local government agencies.</p> <p>The Panel sees reviewing existing engagement requirements as an opportunity for Māori to contribute to decision-making in ways that are more consistent with the notion of partnership.</p>	<p>↑ Opportunity to minimise duplication of engagement efforts and streamline processes – particularly across different legislation (for example, the LGA, NBA/SPA, the Reserves Act etc).</p> <p>↑ Opportunity to address the burden of engagement and advisory requests on iwi/hapū/Māori from central and local government agencies, including opportunities for central and local government to better coordinate and align engagement activity.</p> <p>↓ May lead to even greater demands being placed on iwi/hapū/Māori, particularly if stronger engagement requirements are put in place.</p> <p>↓ Looking only at legislation affecting local government may not adequately address the problem.</p> <p>↑ Any arrangements put in place must be sufficiently flexible to recognise the unique circumstances of iwi/hapū/Māori and councils across the motu.</p>	<p>?</p> <p>?</p>	<p>How could central and local government better align their engagement with iwi/hapū/Māori?</p> <p>Would your council benefit from taking a more coordinated approach to engagement with iwi/hapū/Māori?</p>
<p>#6 Amend the Local Government Act 2002 to require councils (elected members and chief executives) to prioritise and invest in developing and strengthening their capability and capacity in the areas of Te Tiriti o Waitangi, te ao Māori values, mātauranga Māori, tikanga, and the whakapapa of local government in order to make local government a better Te Tiriti partner.</p>	<p>This recommendation recognises that if local government is to be a Te Tiriti partner and have additional obligations to partner with iwi/hapū/Māori, then local government's capability and capacity in Te Tiriti o Waitangi, te ao Māori values, mātauranga Māori, tikanga and the whakapapa of local government must be developed.</p> <p>Many councils are already working hard to build their capability and capacity in these areas but are at different stages and have varying abilities to resource this effort. That means there must be sufficient flex in any legislative requirements.</p>	<p>↑ Most councils already provide Te Tiriti training opportunities to both staff and elected members. This recommendation would strengthen existing work.</p> <p>↑ Introducing this requirement would help to ensure all councils have access to training and development opportunities in this area.</p> <p>↑ If other related recommendations are adopted, investing in capability and capacity would help ensure that councils are able to fulfil the obligations they propose.</p>	<p>?</p> <p>?</p>	<p>Do there need to be ways to ensure elected members access appropriate training and development?</p> <p>What additional resourcing might be needed to support councils to fulfil these requirements? Could there be a role for LGNZ and Taituarā to assist with providing training and development?</p>

	<p>The Panel recommends giving councils and chief executives specific responsibility to develop and maintain the capability of both council staff and elected members.</p>	<p>↑ May present opportunities for councils to work with local iwi/hapū/Māori providers of training and development.</p> <p>↑ Opportunity for council staff and elected members to develop new skills, experience and confidence.</p> <p>↓ May be expensive for small councils to deliver.</p> <p>↓ Challenges in accessing training providers with relevant experience.</p> <p>↓ Challenges for elected members to find time to invest in training and development on top of other council work and commitments outside of council. Similar challenges for council staff to find time to invest in training and development.</p> <p>↓ Relies on elected members choosing to participate/engage with training.</p>	<p>Are there any other actions that should be taken to support the capability and capacity of local government to be a better Te Tiriti Partner?</p>
<p>#7 Initiate a reorganisation of local government to strengthen, support, and resource councils to plan for and respond to increasing challenges and opportunities, and to set local government up for a more complex future.</p>	<p>Right now there are 78 local authorities in Aotearoa: 11 regional authorities, 61 territorial authorities and six unitary authorities. There are 110 community boards across the country – though not every council has community boards. Auckland Council has 21 local boards, which are different from community boards.</p> <p>The Panel recommends looking at local government’s future form and structure. This includes types of structure, roles and functions, and governance arrangements.</p> <p>The Panel suggests that local government needs to be reorganised so it can fulfil its purpose of ensuring local democracy, promoting intergenerational wellbeing and building Te Tiriti partnerships.</p> <p>The Panel recommends any reorganisation be guided by five principles, to manage the tension between centralism and localism. These five principles are:</p> <ul style="list-style-type: none"> • Local: There is local, place-based decision-making and leadership. That includes local influence on decisions made about the area at a regional and national level. • Subsidiarity: Roles and functions should be delivered as close to the relevant community as possible, and the structure should enable this. • Resourced: Local government entities have the right people, skillsets and resources – or the ability to generate the funding needed. • Partnership: Local government entities have flexibility to partner with each other and with other parties to effectively and efficiently 	<p>↑ Panel is clear that councils need to reach decisions with their communities about appropriate structures – a one-size-fits-all approach won’t work. x ✓</p> <p>↑ An opportunity to revisit and enhance the role of community and local boards for providing local voice, input and decision-making.</p> <p>↑ Reorganisation may address funding pressures currently facing councils.</p> <p>↑ Would create scale – which has benefits for investment, service delivery, access to and retention of staff.</p> <p>↑ Central government would potentially invest more in local government if there were fewer entities to invest in.</p> <p>↑ Alignment between central government agencies and local government would be easier to achieve central government agencies had to align with fewer entities.</p> <p>↑ Would help to achieve greater alignment with water services entities and regional planning committees.</p> <p>↑ Provides an opportunity to consider whether existing structures enhance local democracy, promote intergenerational wellbeing and enable Te Tiriti-</p>	<p>Do you agree existing structures need to change?</p> <p>Do you agree with the five principles for reorganisation the Panel has identified? Are there any principles missing?</p> <p>What do you think the advantages and disadvantages of each of the two models that the Panel has proposed are?</p> <p>How could the two models the Panel proposes be improved?</p> <p>The Panel only suggests two options. Should any other options be on the table?</p> <p>Would you consider reorganisation if it made increasing local government’s funding more palatable for central government?</p> <p>What happens if communities think the status quo (including funding) is working?</p>

share decision-making and delivery of services.

- **Economies of scope:** Local government entities use economies of scope and combine resources and expertise where appropriate so that services and functions are delivered to a high standard.

The Panel also says that any new system of local government needs to be Te Tiriti-consistent.

The Panel is clear that councils must lead any structural change. It will not work if centralised decisions are made about which structure should be implemented in a particular area. The Panel suggests councils in each region should start by working together, alongside hapū/iwi and communities, to determine which structure and operating model best meets local needs. While regional discussions are a starting point, the Panel suggests some new councils may end up forming sub-regional clusters.

The Panel also identifies an opportunity to think about how new local government structures could align with other structural reforms, including the introduction of 15 regional planning committees and potentially 10 water services entities.

The Panel suggests two models for the structure of new councils. These are a **unitary model** and a **combined network model**.

Unitary model

- One council has responsibility for all local government roles and functions in an agreed region or sub-region, including those currently carried out by regional councils and territorial authorities.
- One-stop-shop approach allows for joined-up back-office processes and systems, and for activities that are not locally specific to be delivered at scale.
- New unitary councils operate in a way that supports locally specific decision-making, place-shaping, service delivery, and resource allocation. This includes locating staff and resources in local communities rather than concentrating them in one centre.
- Unitary councils can devolve roles and functions to local or community entities as appropriate, including to hapū and iwi.
- Unitary councils should make use of local or community boards and ward committees – but existing forms of local or community boards are reassessed.
- Community members elect ward councillors and a mayor to the new unitary council. There may also be members appointed by hapū or iwi in the rohe if agreed as part of Te Tiriti-based appointments.
- Decisions about the number of councillors, the number of general and Māori wards, and the number of members there are in each

based partnership.

- ↓ Potential to erode local voice.
- ↓ Large, complex organisations and multiple layers of bureaucracy could become difficult for communities to engage with.
- ↓ Larger organisations may not align well with rohe boundaries.
- ↓ Reorganisation processes are likely to be contentious.
- ↓ Councils in a region may have conflicting views on appropriate reorganisation arrangements.

What should happen if councils and communities can't reach agreement on any structural change?

Do you agree with the Panel that reorganisation of local government should happen in tranches/a staged way?

Are you on board with exploring reorganisation if ultimately all you're committing to is having a conversation with your community about what their views are?

ward are made locally.

The Panel's view is that this is a simple structure but will take more work to ensure that councils deliver well at place for their communities.

Combined network model

- Local councils retain focus on place-based delivery and decision-making, and work with other partners to address opportunities and challenges in their areas. A combined council carries out functions that affect the whole region or require specialist capability, and gives access to economies of scale. It also provides backbone support for its local councils by providing shared services where agreed (for example, IT).
- Local councils are responsible for activities that have a place-shaping component and raise the wellbeing of their communities. They provide leadership on local issues, deliver local services and local infrastructure, and set local rates. They also facilitate collaboration in their locality and the region.
- Combined councils are responsible for current regional council functions, particularly those which have a strong environmental management focus but also other issues that cross local borders. They also carry out other roles or functions on behalf of the whole region, where appropriate and agreed by local councils. They work with central government and hapū/iwi to determine regional priorities and make co-investment decisions with local councils.
- A local council may also carry out particular roles or functions on behalf of all councils in the network.
- Members of the community would elect ward councillors and a mayor of their local council. There may also be members appointed by hapū or iwi in the rohe if agreed as part of Te Tiriti-based appointments.
- Each local council would appoint elected members (usually including the mayor) to the combined council. There may also be members appointed by hapū or iwi in the rohe if agreed as part of Te Tiriti-based appointments. One member of the combined council would be appointed as chairperson.

Because the combined network model retains local councils, it's easier to see how it would support place-based approaches. But strong relationships would be needed between all councils in a network to realise the broader benefits of this model.

If the combined network model was adopted there's a live question about whether all existing councils should be kept as they are.

<p>#8 Establish a dedicated Crown department to facilitate a more effective working relationship between local and central government that focuses on:</p> <ul style="list-style-type: none"> ▶ a relational-based operating model to align priorities, roles, and funding ▶ brokering place-based approaches and agreements to address complex challenges and opportunities ▶ research, development, and innovation capability that equips local government to maximise intergenerational wellbeing for its communities. 	<p>The way forward</p> <p>The Panel has only put two structure models on the table. There could be other, better models. The models put forward by the Panel could also be tweaked.</p> <p>The Panel is clear that councils, working collaboratively at the regional level and with their communities, should decide which model will work best for them.</p> <p>The Panel’s view is that all councils need to choose one of the two models or the alternative – including existing unitary councils. It has recommended that reorganisation of councils happens in tranches.</p> <p>Before running local processes to determine the best structures, central and local government officials need to work through the specific process and mechanics for undertaking a reorganisation. This would include securing central government funding and making required legislative changes.</p>		
	<p>At the moment, many central government agencies work closely with local government to deliver outcomes at the local level. The Department of Internal Affairs has lead responsibility for the Government’s relationship with local government. It oversees local government legislation and policy, rates, local elections and the Local Government Commission. DIA works closely with other agencies that affect or influence local government, such as the Ministry for the Environment, the Ministry of Transport, Waka Kotahi, the Ministry of Housing and Urban Development, and Kainga Ora.</p> <p>To support its recommendations around central and local government collaborating at place to address and invest in communities’ wellbeing needs, the Panel recommends establishing a dedicated Crown department.</p> <p>The Panel’s view is that a new Crown department would help to break down existing structural barriers to working together. It would help aggregate the many government departments involved in delivering local outcomes.</p> <p>The Panel suggests the Crown department should:</p> <ul style="list-style-type: none"> • Support agencies to join up on regional priorities and issues, providing a single and consistent central government presence when working at place with councils. • Build leadership capability that supports collaboration across central and local government. • Expedite the use of approaches like place-based agreements. • Provide a forum for ongoing discussion and resolution between central government and councils about allocating roles and 	<ul style="list-style-type: none"> ↑ Dedicated focus on the relationship between central and local government, including working together at place. ↑ May help to achieve better alignment across the range of central government agencies that work with local government. ↓ A new department could duplicate the work of existing central government agencies – or lead to further siloes. ↓ Potential confusion as to where responsibilities sit across central government agencies. ↓ Could undermine existing working relationships. ↓ Costs of setting up a new department could be seen by as an investment in bureaucracy. ↑ Doesn’t necessarily lead to improvements in the relationship between central and local government politicians – if the focus is on agency relationships. 	<p style="text-align: center;">? ?</p>

	<p>functions.</p> <ul style="list-style-type: none"> • Support consistent and more deliberate data collection and analysis, at a place-based level. • Develop research and innovation capability that maximises local government’s contribution to the intergenerational wellbeing of its communities. • Assess and inform policies that affect local government or where local government can make a greater contribution to national priorities. <p>The Panel says that to carry out these functions effectively, the new department must have the status and authority to convene multiple central government agencies. That’s because it would need to resolve strategic policy or cross-cutting issues in the relationship between central and local government.</p> <p>The Panel’s report doesn’t address whether this Crown department should be separate from DIA. Some of DIA’s functions are in the list of functions the Panel thinks the Crown department should perform, others have been identified as ones the proposed stewardship institution could perform. DIA has some remaining local government functions whose future home remains unclear (eg for local government legislation).</p> <p>There’s also an opportunity to think about how this proposed department could align with the Spatial Planning Office that is being established to support the interdepartmental Spatial Planning Board. This is a board of central government agency chief executives that will have an interest in the process and outcomes of the new regional spatial planning approach – which is in part intended to deliver more joined up investment in regional growth by central and local government (in partnership with mana whenua).</p>				
<p>#9 Establish a new local government stewardship institution to strengthen the health and fitness of the system. This entity should:</p> <ul style="list-style-type: none"> ▶ provide care for and oversight of the local government system, including the health of local democracy and local government’s future-fit capability and capacity ▶ foster common purpose and relationships ▶ support and enable the health of 	<p>The Panel has recommended creating a new independent local government stewardship institution to strengthen the health and fitness of the local government system.</p> <p>Currently there are a number of different players that have local government stewardship roles including DIA, the Local Government Commission, LGNZ and Taituarā. Each organisation plays different roles and brings a different lens. The range of organisations involved in stewardship means that there’s no clear high-level picture of what is good and needed for the local government system as a whole. Instead, there’s a complex, overlapping and often disjointed web of roles and responsibilities.</p>	<ul style="list-style-type: none"> ↑ Would fill a gap in local government’s legislative architecture, as there is no quality control or agency able to take a “whole of government” view. ↑ An independent institution could provide an unfettered assessment of the health and fitness of the system and view of local government’s needs. ↑ Opportunity to be innovative and create a new institution that is not bound by current or institutional forms. ↑ Stewardship agency could provide more focus and resource dedicated to growing local government 	<p>?</p> <p>?</p>		<p>Do you think local government needs a stewardship institution? What should a stewardship institution focus on?</p> <p>Are there any alternatives to creating a new, standalone institution? Could LGNZ, Taituarā and the Local Government Commission be resourced to provide some of the stewardship functions?</p>

<p>the Māori–local government relationship</p> <p>▶ incorporate the current roles and responsibilities of the Local Government Commission.</p>	<p>The Panel has suggested that the new institution would build on existing work by central and local government agencies, and that its stewardship priorities should be:</p> <ul style="list-style-type: none"> • Oversight and care for the health and fitness of the local government system. • Building capability and capacity of the local government system. • Fostering relationships and driving towards a common purpose. • Supporting and enabling the health of the iwi/hapū/Māori relationship. • Incorporating the functions of the Local Government Commission. <p>The Panel also recommends that the stewardship institution should:</p> <ul style="list-style-type: none"> • Have responsibility for guiding and supporting the Panel’s proposed structural reform process. • Provide governance support to councils, including support for code of conduct matters, and advice to ministers. • Play a role in future representation reviews. • Assess the cumulative impact of central government decisions on the local government system. • Design a governance framework to support the local government system. <p>The Panel says existing sector organisations don’t have the resources or mandates to fulfil these functions and roles.</p> <p>The Panel proposes that the stewardship institution work alongside a new Crown department focused on facilitating the relationship between central and local government.</p> <p>The Panel recommends that the independent stewardship institution have a reputation and standing akin to a parliamentary officer (without this necessarily being vested in an individual), leaving open the possibility of a new, innovative form.</p>	<p>capacity and capability in certain areas – including those needed to support system change.</p> <p>↓ Has the potential to duplicate functions performed by existing central government agencies, such as the Office of the Auditor-General.</p> <p>↓ Considerable cost involved in setting up any institution.</p> <p>↓ Level of investment required means it may not actually be independent.</p> <p>↓ Need for more certainty around how any stewardship institution would interact with the proposed Crown agency (see recommendation 8).</p> <p>↓ Independence may result in actual or perceived failure by the institution to meet local government’s needs.</p> <p>↓ Any investment by local government in setting up the new institution may impact the level to which local government can invest in its own membership organisations.</p>	<p>How do we ensure that any stewardship agency is independent?</p>
<p>#10 Local government and councils develop and invest in democratic innovations, including participatory and deliberative democracy processes.</p>	<p>LGNZ’s vision is for New Zealand to be the most active and inclusive local democracy in the world. Through our engagement on the Future for Local Government, we’ve heard that councils want their communities to be more actively engaged with local government.</p> <p>Councils’ engagement and consultation with communities is currently guided by the provisions in Part 6 of the LGA. These provisions can reduce those processes to compliance exercises, rather than deep and meaningful engagements and collaborations.</p> <p>Greater use of participatory and deliberative democracy processes could more actively involve a range of communities in decision-making in innovative ways and ramp up engagement. Participatory democracy</p>	<p>↑ Likely to increase engagement with and participation in local government – which in turn is likely to increase voter turnout.</p> <p>↑ Participatory and deliberative democracy processes can be tailored to meet communities’ unique needs and circumstances.</p> <p>↑ They would help increase engagement with diverse groups that can be under-represented (eg Māori, Pasifika, youth, lower socio-economic groups).</p> <p>↑ May help to strengthen trust in local democracy.</p>	<p>✓ ?</p> <p>What stops councils using participatory and deliberative democracy processes?</p> <p>What would help or support your council to make greater use of participatory and deliberative democracy processes?</p> <p>How else could councils get more citizens engaged and</p>

	<p>processes enable any citizen to voice their opinion on a particular topic. Deliberative democracy processes involve a representative sample of the population responding to a particular question.</p> <p>Many councils are already using these processes. For example, the Bay of Plenty Regional Council has used participatory budgeting, and Horowhenua District Council has set up citizens' panels.</p> <p>While there's nothing in the LGA stopping councils from using participatory or deliberative democracy processes, changes to the LGA would support and encourage greater use of them, as well as making engagement less of a compliance exercise.</p>	<ul style="list-style-type: none"> ↓ Participatory and deliberative democracy processes can be costly and time consuming. ↓ Some councils don't have the capacity or capability right now to engage in new and different ways with their communities. ↓ There's not currently a good level of understanding of the processes that could be used – more sharing of best practice is needed. 	<p>interested in local government/local decision-making?</p>
<p>#11 Enhance local democracy in order to increase access and representation by:</p> <p>▶ adopting ranked voting (also known as single transferrable vote or STV) as nationwide method for local elections</p>	<p>Right now councils can decide which voting system they use in local body elections – either Single Transferable Vote (STV) or First Past the Post (FPP).</p> <p>FPP involves voters using a tick to indicate their chosen candidate/s. The candidate/s with the most votes are elected. Under STV, voters use numbers to rank candidates in order of preference. Fifteen councils used the STV voting method in 2022, up from 11 in 2019.</p> <p>The Panel says STV better represents voters' choices because a vote is transferred if a preferred candidate does not succeed. This transfer of votes avoids wasted ballots. Early research demonstrates that STV leads to improvements in the representation of women. However, the representative benefits of STV work best when there is a large pool of candidates and wards, with more than one seat being contested.</p> <p>The Panel recognises STV is not well understood by voters. It recommends changing its name to something like 'ranked choice voting'.</p>	<ul style="list-style-type: none"> ↑ Consistent local body voting systems across the country would help build understanding and reduce confusion. ↑ Likely to result in greater diversity around council tables. This would likely increase community engagement and participation – particularly by traditionally under-represented communities. ↑ Having more wards might mean more candidates stand, and prompt councils to take new approaches to their representation arrangements. ↓ Removes the flexibility for councils to make a choice about which voting system they want to use. ↓ There is public confusion and lack of understanding about STV. FPP is a more straightforward system for voters. ↑ Introducing new voting systems may be costly for councils. 	<p>? ?</p> <p>What would make it easier for your council to introduce STV?</p> <p>Is there value in taking a national approach to local government's voting system?</p> <p>Are there other changes that would increase diversity around the council table and voter turnout?</p>
<p>#11 Enhance local democracy in order to increase access and representation by:</p> <p>▶ lowering the voting age for local elections to 16.</p>	<p>The current minimum voting age for both local and general elections is 18. There have been calls to lower the voting age to 16, including through the Make it 16 campaign.</p> <p>The Government recently introduced the Electoral (Lowering Voting Age for Local Elections and Polls) Legislation Bill. If passed, the Bill would enable 16- and 17-year olds to vote and stand in local elections and vote in local polls. 16- and 17-year olds would remain ineligible to vote or be candidates in licencing trust elections, national referenda and general elections.</p> <p>Any progress on this Bill will depend on the incoming government.</p>	<ul style="list-style-type: none"> ↑ More diverse people engage with and participate in local government. ↑ Presents an opportunity to think about introducing and investing in civics education. ↑ Opportunity to test whether lowering the voting age increases participation in elections. ↑ Provides an opportunity to grow understanding of what local government is and does. 	<p>? ?</p> <p>Should the voting age be the same for local and central government elections?</p> <p>Would you support lowering the voting age if that was accompanied by civics education?</p> <p>How else could we increase young people's engagement with and participation in local government?</p>

	<p>The voting age for local elections is currently 16 in Wales, Scotland and Austria.</p> <p>The Panel has recommended lowering the voting age to 16 as one way to ensure that youth are represented in local democracy.</p> <p>Many councils already facilitate young people’s input into local government decision-making, including through youth councils and youth panels.</p> <p>There is no formal requirement in New Zealand for younger people to receive civics education.</p>	<p>↓ Local government being treated as a ‘guinea pig’ and potential for inconsistent approaches between general and local elections.</p> <p>↓ Lowering the voting age might not increase participation in local body elections if not coupled with civics education.</p> <p>↑ Some people think 16- and 17-year olds lack the skills, experience and knowledge to vote and stand for election or are strongly influenced by parents/peers.</p>	
<p>#11 Enhance local democracy in order to increase access and representation by:</p> <p>▶ providing for a four-year local electoral term</p>	<p>Councils are currently elected to represent their communities for a three-year term. Governments are also elected for a three-year term.</p> <p>There’s growing debate here and overseas about whether three-year terms give councils and governments enough time to deliver for their communities.</p> <p>Four years is the most common length of term for councils in comparable overseas jurisdictions: Scotland, England, most of Canada and a number of Australian states. In some parts of the world, it’s five years.</p> <p>We’ve heard from some of you that if local government terms shifted to three years so should central government, to ensure alignment between central and local government planning and decision-making cycles.</p> <p>Significant constitutional changes such as this usually require a broad political consensus and significant community engagement. While likely to be supported by both major parties, a four-year term for central and local government is likely to attract criticism and so central government are likely to be cautious in implementing this recommendation.</p>	<p>↑ Would give councils more time to get things done and deliver good outcomes for their communities. ✓</p> <p>↑ Would probably encourage decision-making focused on the longer-term.</p> <p>↑ May encourage greater turnout in local body elections.</p> <p>↓ May be seen as limiting turnover (and therefore diversity of views) of elected members.</p> <p>↓ There are challenges if central and local government planning and decision-making cycles don’t align.</p> <p>↓ May lead to less interest in (and engagement with) local government.</p> <p>↓ May lead to more by-elections, with associated costs and other impacts.</p> <p>↓ Dysfunctional councils would have a greater impact and erode public trust to a greater degree.</p>	<p>?</p> <p>Is a four-year term the right length?</p> <p>Do you think local and central government terms should be the same length?</p> <p>If the local government term was increased, should there be any changes to the current powers of the minister to assist or intervene when there are problems with management or governance?</p>
<p>#11 Enhance local democracy in order to increase access and representation by:</p> <p>▶ enabling Te Tiriti-based appointments to councils</p>	<p>The Panel says Te Tiriti-based partnership will be significantly enhanced if iwi and hapū are represented at the council table. It recommends legislative change to allow for Te Tiriti-based appointments to councils as well as the development of policy and processes to support this change.</p> <p>The Panel says it made this recommendation because:</p> <ul style="list-style-type: none"> • Representative mechanisms based solely on the Western ideal of proportional democracy cannot always provide a level of influence consistent with a Te-Tiriti based partnership. • The collective, political authority aspect of rangatiratanga is predominantly held and exercised by hapū/iwi, and Māori wards were not designed to ensure representation of mana whenua or 	<p>↑ A meaningful way to give effect to Te Tiriti-based partnership. ?</p> <p>↑ Would increase the diversity of views around the council table.</p> <p>↑ Flexibility for hapū and iwi to participate in this way if they wish, rather than it being mandatory reflects that circumstances and preferences will vary between hapū and iwi.</p>	<p>?</p> <p>How could concerns about the democratic implications of these appointments be addressed?</p> <p>What else could give effect to a Te Tiriti-based partnership between local government and hapū, iwi and Māori?</p>

	<p>kaupapa-based groups.</p> <p>Te Tiriti-based appointments essentially mean that mana whenua representatives could be appointed to councils – as opposed to being democratically elected.</p> <p>Te Tiriti-based appointments are not unprecedented. Under the Canterbury Regional Council (Ngāi Tahu Representation) Act 2022, Te Rūnanga o Ngāi Tahu can appoint up to two members of the Environment Canterbury Council. These members have full decision-making powers.</p> <p>The Panel has suggested that if members are appointed:</p> <ul style="list-style-type: none"> • They should receive the same remuneration as other members. • Hapū and iwi should determine who is appointed (although the numbers of members may be set through a different process). • Hapū and iwi participation should not be mandatory but the invitation should be extended. 	<p>↑ Enhances steps councils are already taking to work in partnership with hapū, iwi and Māori.</p> <p>↓ Could be seen as eroding local democracy.</p> <p>↓ May create implementation challenges if there are multiple hapū and iwi in the area.</p> <p>↓ Would generate additional costs for councils.</p> <p>↓ Accountability mechanisms are unclear.</p> <p>↑ Hapū and iwi may find it difficult to take on additional responsibilities given existing resourcing and capacity challenges.</p>	
<p>#11 Enhance local democracy in order to increase access and representation by:</p> <p>▶ lowering the threshold for the establishment of Māori wards</p>	<p>Māori wards (for territorial authorities) and constituencies (for regional councils) provide an opportunity for Māori to have culturally specific, proportionate representation in their area. All councils must consider whether Māori wards should be established in their areas, although it is not mandatory to have them.</p> <p>At the 2022 local body elections, 35 councils had Māori wards or constituencies.</p> <p>This recommendation is about retaining Māori wards and constituencies, and making it easier for councils to establish them. The Local Electoral Act 2001 sets out a formula for establishing Māori wards, which takes account of numbers on the Māori roll, the normally resident Māori population and the existing number of councillors.</p> <p>The Panel doesn't make any specific recommendations as to the threshold for establishing Māori wards. One option is to come up with a formula that gives less weight to the size of the governing body.</p> <p>As well as recommending lowering the threshold for establishing Māori wards, the Panel recommended Te Tiriti-based appointments to councils (Recommendation 11). The Panel's rationale is that while Māori wards support proportional representation, they are not sufficient for Te Tiriti-based partnership at the council table. This is because Māori wards and constituencies were not designed to provide for representation of hapū and iwi or significant kaupapa-based groups.</p>	<p>↑ Consistent with growing levels of support across the motu for Māori wards and constituencies.</p> <p>↑ Would increase diversity around council tables and encourage more diversity of communities engaging with and participating in local government.</p> <p>↓ Māori wards and constituencies don't provide for representation of hapū or iwi.</p> <p>↓ Some hapū and iwi prefer Te Tiriti based appointments to wards/constituencies.</p>	<p>✓ ?</p> <p>Are Māori wards and constituencies the most effective mechanism for involving Māori in decision-making?</p> <p>Should we place greater emphasis on this recommendation, or the recommendation to introduce Te Tiriti-based appointments?</p>
<p>#12 Local and central government coinvest to build adaptive leadership capability focusing on:</p>	<p>The Panel says that to deliver change, leadership capability needs to be strengthened across both local and central government.</p> <p>The Panel identifies four areas where co-investment by central and local</p>	<p>↑ Recognises that both central and local government will need support to transition to new ways of working.</p>	<p>✓ ✓</p> <p>How could this recommendation align with the Panel's suggestion that a local</p>

<p>▶ leading change and system renewal</p> <p>▶ valuing civic leadership and public service</p> <p>▶ partnership and collaboration</p> <p>▶ innovation and experimentation.</p>	<p>government would drive the changes it recommends. These include investing in:</p> <ul style="list-style-type: none"> • Growing, supporting and developing leaders in local government (particularly CEs and also council staff) who are open to learning, taking calculated risks and trying new things. • Maintaining, valuing and recognising the importance of civic leadership and public service. This is about embedding the ethos of public service in the culture and values of councils. • Supporting people in local government to develop skills around building relationships, partnerships and collaboration. The Panel saw this as an opportunity for central and local government to think about how they can better share people and collaborate on development, through things like secondments, partnerships and shared training. • Building a culture and risk appetite for embracing new technology and innovative ways of doing things. <p>The report doesn't go into detail on what the investment to support these four areas could look like, or how investment could be shared between central and local government.</p> <p>Many councils are already working to build skills, capability and capacity in these four areas. LGNZ and Taituarā also support councils' capability building. Supporting councils to develop in these areas is a key focus of LGNZ's Choose Localism mahi.</p>	<p>↑ Recognises central government needs to change the ways it's doing things for local government to make progress.</p> <p>↑ Enhances and supports the work councils, LGNZ and Taituarā are already doing in these areas – while recognising there's room to do more.</p> <p>↓ Lack of clarity around where the investment is most needed and what investment is required.</p> <p>↓ Building leadership capability and skills takes time – which has implications for councils' already significant workloads.</p> <p>↓ Some members of the public may see this as unnecessary investment in central and local government bureaucracy.</p> <p>↓ Local government's existing, significant funding pressures will make it difficult for it to invest more in these areas.</p>	<p>government stewardship agency should be created?</p> <p>Could central government invest in enabling LGNZ and Taituarā to enhance the work they're already doing to support councils develop (which would be a cheaper option)?</p> <p>Are there any other areas where we need to invest to build leadership capability?</p>
<p>#13 In order to prioritise and deliver on wellbeing, central government makes a greater investment in local government through:</p> <p>▶ significant funding to support local priorities, place-based agreements, and devolution of roles.</p>	<p>This is another idea for how the funding pressures facing councils could be alleviated.</p> <p>This recommendation is less about a direct transfer of funding to councils, and more about how central government investments align with councils' investments in local needs and priorities, and how it invests in councils' capacity and capability to deliver.</p> <p>This recommendation presents an opportunity to think about how central government could invest in councils by enabling them to deliver certain services on behalf of central government at the local level.</p> <p>This option alone is unlikely to fully address funding pressures.</p>	<p>↑ Recognises that local government's proximity to its communities means it's best placed to make decisions about what investments are needed.</p> <p>↑ Creates better alignment between central and local government investment.</p> <p>↑ Helps to minimise duplication of investment.</p> <p>↑ Presents an opportunity to think about devolving roles to local government.</p> <p>↓ Potential for funding commitments by central government to relate to their priorities rather than genuinely reflect local priorities/needs.</p> <p>↓ Likely to introduce greater need for compliance with central government reporting/accountability obligations, which may have impacts on local government workload.</p>	<p>✓ ?</p> <p>What might make it difficult to align investment priorities with central government?</p> <p>Are there any particular areas where you think aligned investment would be helpful (eg transport, infrastructure, community services)?</p>
<p>#13 In order to prioritise and deliver on wellbeing, central government</p>	<p>Local government faces a significant funding challenge – it simply does not have enough funding to meet growing expectations from</p>	<p>↑ Provides councils with additional funding to deliver services to meet the needs of current and future</p>	<p>✓ ✗</p> <p>Do you think that an annual transfer of \$1 billion is</p>

<p>makes a greater investment in local government through:</p> <ul style="list-style-type: none"> ▶ an annual transfer of revenue equivalent to GST charged on rates 	<p>communities and central government, nor deal with pressures like climate change, growth and tourism.</p> <p>Councils receive most of their funding through rates. As cost-of-living pressures increase, councils face growing pressure from their communities to keep rates down, but councils' costs are increasing.</p> <p>Successive reviews have recommended many changes to local government funding –but have had limited uptake of those recommendations by successive governments.</p> <p>The Panel recommends that central government provide councils with an annual transfer of funds to councils. The Panel suggests that, as a starting point, central government establish a \$1 billion per annum funding transfer, with this amount to be reviewed annually.</p> <p>The Panel suggests \$1 billion a year for two main reasons:</p> <ul style="list-style-type: none"> • It's large enough to make an impact. It's approximately equivalent to the Provincial Growth Fund, which distributed about \$3 billion over three years. • It's also roughly equivalent to the amount that property owners paid in GST on their rates during 2021/22. <p>The Panel suggests that councils use this funding to pay for locally defined priorities and projects that support intergenerational wellbeing and local democracy but might not otherwise be funded. The Panel is clear that funding should be distributed equitably, and that councils should be accountable for how they spend the money.</p> <p>While additional funding would make a difference to local government, more money doesn't directly address the unfunded mandate issue. There's a risk that along with increasing funding central government would lump more responsibility to deliver services and meet statutory obligations on councils. Any increase in funding should also come with clear requirements for central government to consider the funding and resourcing implications of any decisions that affect councils (see also recommendation #16).</p> <p>This option alone is unlikely to fully address councils' funding pressures.</p>	<p>generations – and helps alleviate existing funding pressures.</p> <ul style="list-style-type: none"> ↑ Requires central government to invest in local government. ↓ A risk that funding is distributed on a competitive basis – which creates additional work and resourcing burdens for councils. ↓ Unlikely to be sufficient to address the significant funding pressures that councils are facing. ↓ Doesn't address the unfunded mandate issue, in terms of whether councils actually have adequate resources to meet additional obligations imposed on them. ↓ Could result in greater restrictions on how councils conduct their business, and increased reporting and accountability requirements. 	<p>✓ ?</p>	<p>sufficient? How would you determine an appropriate amount?</p> <p>Should this funding be 'earmarked' for certain council activities, or should councils be able to spend it as they please?</p> <p>How should this funding be allocated? For example, should it be on a competitive basis or an equitable basis (like a formula), or a subsidy for specific activities (like the Transport Financial Assistance Rate)?</p> <p>What are other options for increasing the funding available to local government?</p>
<p>#14 Central government pays rates on Crown property</p>	<p>This recommendation is another option the Panel identifies for increasing local government's funding.</p> <p>Currently, central government agencies pay limited or no rates and charges on their properties. Successive local government funding reviews have recommended this change but it has never been implemented. In some areas, some central government agencies pay targeted rates for sewerage (wastewater), water, and rubbish collection if they are separately charged by the local council.</p>	<ul style="list-style-type: none"> ↑ This would be a good faith step by central government and show commitment to a more equitable funding model. ↑ Would address perceived funding power imbalances between central and local government. ↑ Would help to alleviate some of the funding pressures on councils by providing a new source of revenue. 	<p>✓ ?</p>	<p>What about councils that don't have large amounts of Crown-owned land and capital improvements?</p>

<p>#15 Central government develops an intergenerational fund for climate change, with the application of the fund requiring appropriate regional and local decision-making.</p>	<p>The Panel recommends that central government pays rates and charges on its land and capital improvements. Legislative change would be needed to make this happen.</p> <p>This option alone is unlikely to fully address funding pressures.</p>	<p>↓ Potentially only benefits those districts/cities/regions with large amounts of Crown-owned land and capital improvements – so funding inequity issues remain.</p>			
	<p>This is another recommendation designed to address the funding pressures facing councils.</p> <p>Funding climate change action is a challenge for councils now and will become even bigger challenge in the future, as extreme weather events become more frequent and severe. Climate change is a challenge that councils and communities won't be able to fund on their own.</p> <p>For many years, there have been calls by local government (and others) for more funding to support climate change action at the local level.</p> <p>The Panel recommends that this fund be used for climate change adaptation action. They have left open the question of whether the fund should also apply to climate change mitigation.</p> <p>The Panel hasn't gone into great detail about how the fund should work, or what the level of funding contributed by central government should be. These issues are currently being considered through the Environment Committee inquiry into community-led retreat.</p>	<p>↑ Provides councils with additional funding to meet current and future climate change adaptation challenges.</p> <p>↑ A good example of a way in which central government could invest in action at the local level that supports it to realise national level objectives.</p> <p>↑ Local priorities informing investment decisions.</p> <p>↑ Has the potential to incentivise investment in proactive risk reduction.</p> <p>↓ Potential for inadequate funding of New Zealand's adaptation challenges.</p> <p>↓ Complexity in determining best use of the fund – including timing and level of investment in different projects.</p> <p>↓ Competitive funding processes create additional burdens for councils.</p> <p>↓ Could create false sense of security and disincentivise good land use planning decisions.</p>	<p>✓</p>	<p>?</p>	<p>What should be in scope for this kind of fund? Should it cover adaptation action only, or also capture mitigation?</p> <p>How should a fund like this be administered? What should criteria for accessing the funding be?</p>
<p>#16 Cabinet is required to consider the funding impact on local government of proposed policy decisions.</p>	<p>When making decisions that affect councils, there's currently no requirement for Cabinet to consider how the decision will impact local government's funding/resourcing. This means that decisions often impose new and additional requirements on councils that they cannot afford or don't have the resources to fulfil. This is known as an unfunded mandate and creates pressures on councils' existing budgets and resourcing.</p> <p>Introducing a requirement on Cabinet to consider the impacts of its decisions on local government's funding wouldn't necessarily translate to more funding for local government – Cabinet would need to agree to make more funding available. But it would result in greater scrutiny of the changes and requirements imposed on local government, and the support they need to fulfil them.</p> <p>As noted above, making additional funding available to councils should be coupled with this recommendation to ensure councils can meet any requirements imposed on them.</p>	<p>↑ Greater scrutiny of the requirements and responsibilities being placed on local government – and potential for increased funding to support councils to fulfil them.</p> <p>↑ Might help limit the number of additional responsibilities (without extra funding) being imposed on local government.</p> <p>↓ Requirement to consider funding impacts of decisions doesn't automatically result in additional funding being provided.</p> <p>↓ May require more reporting from local government to enable central government agencies to provide assessments to Cabinet – which could add to existing workloads.</p>	<p>✓</p>	<p>x</p>	<p>Are there any impacts (other than financial ones) you think Cabinet should be specifically required to consider when making decisions that affect councils?</p>

<p>#17 Central government commits to enabling the future transition with funding to:</p> <ul style="list-style-type: none"> ▶ resource a transition unit to support the change and system renewal of local government ▶ supplement local government capacity funding to enable hapū/iwi and Māori to partner with councils ▶ support councils to: <ul style="list-style-type: none"> ▶ build Te Tiriti and te ao Māori capability and grow hapū/iwi and Māori relationships ▶ lift their immediate capacity and capability to innovatively deliver wellbeing priorities for their communities ▶ trial and grow participatory and deliberative democracy practices. 	<p>This recommendation suggests ways in which central government should provide funding and resourcing to support local government to transition to a new future, including resourcing the establishment of a transition unit and providing local government with additional funding to support hapū/iwi and Māori to build their capacity to partner with councils.</p> <p>It also suggests that central government needs to provide councils with additional resourcing to support them to build capability around Te Tiriti and te ao Māori, innovatively deliver wellbeing priorities, and trial and grow the use of participative and deliberative democracy processes.</p> <p>The Panel suggests that a transition unit should be established as a formal entity to start the reform programme, including leading work to establish the stewardship agency and Crown department that the Panel recommends, and setting the mechanics and legislative settings that would be needed to support reorganisation and realignment of local government. It also suggests that the transition unit looks at broader policy and budget changes that would be needed to support new ways of partnering between local government, central government, and hapū/iwi.</p> <p>The Panel recommends that before the transition unit is established, a steering group should be set up and resourced to scope the reform programme and establish the transition unit. It recommends that the steering group be chaired by a local government leader, play a key role in advising the incoming Government and reflect a genuine partnership between central and local government – including being supported by a joint team from across central and local government.</p> <p>LGNZ and Taituarā are already leading work with local government to think about what the reform programme could look like. LGNZ’s work to build a consensus position on the Panel’s report is a key part of this.</p>	<ul style="list-style-type: none"> ↑ Recognises that change to local government will require strong partnership between central and local government. ✓ ↑ Recognises the significant level of work and investment that will be needed to deliver the change that the Panel recommends. ↑ Resourcing councils to get on with work they can do ahead of legislative/system change (eg trialling use of participative and deliberative democracy and building Te Tiriti and te ao Māori capability). ↓ Some may view establishment of steering group and transition unit as unnecessary layers of bureaucracy/significant additional cost. ↓ May result in more ‘top down’ control of what local government’s future looks like – rather than giving local government the ability to shape its own future. ↓ Risks that steering group and transition unit processes will create additional work for councils. ↓ Perceptions that steering group and transition unit processes and bureaucracy can slow down progress. 	<p>?</p>	<p>Do you think it would be useful to establish a steering group and transition unit along the lines the Panel has proposed?</p> <p>What could an alternative approach be? For example, could LGNZ and Taituarā be resourced to lead some of this work with local government instead?</p>
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