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## Finance and Performance Committee

### SUPPLEMENTARY AGENDA

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#### Notice of Meeting:

An ordinary meeting of the Finance & Performance Committee will be held on:

**Date:** Thursday 30 June 2022  
**Time:** 9.30am  
**Venue:** Council Chambers, Civic Offices,  
53 Hereford Street, Christchurch

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#### Membership

Chairperson	Deputy Mayor Andrew Turner
Deputy Chairperson	Councillor Sam MacDonald
Members	Mayor Lianne Dalziel
	Councillor Jimmy Chen
	Councillor Catherine Chu
	Councillor Melanie Coker
	Councillor Pauline Cotter
	Councillor Mike Davidson
	Councillor Celeste Donovan
	Councillor Anne Galloway
	Councillor James Gough
	Councillor Yani Johanson
	Councillor Aaron Keown
	Councillor Phil Mauger
	Councillor Jake McLellan
	Councillor Tim Scandrett
	Councillor Sara Templeton

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28 June 2022

#### Principal Advisor

Leah Scales  
General Manager - Resources / CFO  
Tel: 941 8999

#### Principal Advisor

Dawn Baxendale  
Chief Executive  
Tel: 941 6996

David Corlett  
Committee and Hearings Advisor  
941 5421  
david.corlett@ccc.govt.nz  
[www.ccc.govt.nz](http://www.ccc.govt.nz)

Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. If you require further information relating to any reports, please contact the person named on the report.

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- Part A Matters Requiring a Council Decision
  - Part B Reports for Information
  - Part C Decisions Under Delegation
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## 21. Resolution to Include Supplementary Reports

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### 1. Background

- 1.1 Approval is sought to submit the following report to the Finance and Performance Committee meeting on 30 June 2022:
  22. Draft Submission to the Panel considering the Future for Local Government Review
- 1.2 The reason, in terms of section 46A(7) of the Local Government Official Information and Meetings Act 1987, why the report was not included on the main agenda is that it was not available at the time the agenda was prepared.
- 1.3 It is appropriate that the Finance and Performance Committee receive the report at the current meeting.

### 2. Recommendation

- 2.1 That the report be received and considered at the Finance and Performance Committee meeting on 30 June 2022.
  22. Draft Submission to the Panel considering the Future for Local Government Review

## 22. Draft Submission to the Panel considering the Future for Local Government Review

Reference / Te Tohutoro: 22/779993

Report of / Te Pou  
Matua: Elizabeth Wilson, Team Leader Policy, Elizabeth.Wilson@ccc.govt.nz  
David Griffiths, Head of Strategic Policy and Resilience,  
David.Griffiths@ccc.govt.nz

General Manager /  
Pouwhakarae: Lynn McClelland, Assistant Chief Executive Strategic Policy and  
Performance, Lynn.McClelland@ccc.govt.nz

### 1. Purpose of the Report Te Pūtake Pūrongo

- 1.1 The purpose of this report is for the Committee to consider and approve the draft Council submission to the Panel considering the Future for Local Government Review.
- 1.2 Submissions are due with the Future for Local Government Panel by Thursday 30 June 2022.
- 1.3 The decision in this report is of low significance in relation to the Christchurch City Council's Significance and Engagement Policy. This recognises that while there may be significant community interest in the Future for Local Government review process, the specific decision (to approve the draft submission) is of a lower level of significance.

### 2. Officer Recommendations Ngā Tūtohu

That the Finance and Performance Committee:

1. Approve the draft Council submission to the Panel considering the Future for Local Government Review (**Attachment A**).

### 3. Reason for Report Recommendations Ngā Take mō te Whakatau

- 3.1 The Council regularly makes submissions on proposals which may significantly impact Christchurch residents or Council business. Making submissions is an important way to influence national policy development.

### 4. Alternative Options Considered Ētahi atu Kōwhiringa

- 4.1 The alternative option to the recommendation outlined above is for the Council to not make a submission on the Future for Local Government review. This is not the preferred option as it is important for the Council to advocate on issues that affect the Christchurch community, Council business and our strategic priorities.
- 4.2 The review is a once in a generation opportunity to look at how local government should function and how we conceive of local governance within a community setting. The Council therefore has an implicit responsibility to engage in the review process and in particular to advocate for a future local government system that best meets our community's needs.

### 5. Detail Te Whakamahuki

**Future for Local Government Review**

- 5.1 The Future for Local Government Review was established in April 2021 by the Minister of Local Government, Hon Nanaia Mahuta. The overall purpose of the Review is to consider how New Zealand's system of local democracy and governance will need to evolve over the next 30 years in order to improve the wellbeing of New Zealanders, and actively embody the Treaty partnership.
- 5.2 The Review Panel is currently accepting submissions and feedback on the Future for Local Government Review, for consideration into the draft report. The draft report will be released for consultation later this year. It has been indicated the final report will be presented to the Minister in April 2023.

## 6. Policy Framework Implications Ngā Hīraunga ā- Kaupapa here

### Strategic Alignment Te Rautaki Tīaroaro

- 6.1 This submission aligns with the Council's strategic framework, particularly the strategic priority of *enabling active and connected communities to their own future*.
- 6.2 This report supports the [Council's Long Term Plan \(2018 - 2028\)](#):
  - 6.2.1 Activity: Strategic Planning, Future Development and Regeneration
    - Level of Service: 17.0.1.1 Advice to Council on high priority policy and planning issues that affect the City. Advice is aligned with and delivers on the governance expectations as evidenced through the Council Strategic Framework. - Triennial reconfirmation of the strategic framework or as required.

### Policy Consistency Te Whai Kaupapa here

- 6.3 The decision is consistent with Council's Plans and Policies.

### Impact on Mana Whenua Ngā Whai Take Mana Whenua

- 6.4 The Future for Local Government Review has a focus on ensuring hapū/iwi/Māori have an integral role in local governance and are supported to fulfil this. The Council's draft submission details its commitment to continuing to build its relationship with Ngāi Tahu and Papatipu Rūnanga, and to take a partnership approach to delivering wellbeing to all our communities.
- 6.5 The Review Panel has engaged directly with Ngāi Tahu and will continue to do so through the review process.

### Climate Change Impact Considerations Ngā Whai Whakaaro mā te Āhuarangi

- 6.6 While the decision to make this submission does not have direct climate change implications, the submission notes local government's role in climate adaptation.

### Accessibility Considerations Ngā Whai Whakaaro mā te Hunga Hauā

- 6.7 The decision to make this submission does not have direct accessibility implications.

## 7. Resource Implications Ngā Hīraunga Rauemi

### Capex/Opex / Ngā Utu Whakahaere

- 7.1 Cost to Implement - the cost of preparing a submission has been met from existing budgets.
- 7.2 Maintenance/Ongoing costs - there will be no ongoing costs associated with making this submission.
- 7.3 Funding Source - existing operational budgets.

## 8. Legal Implications Ngā Hīraunga ā-Ture

### Statutory power to undertake proposals in the report / Te Manatū Whakahaere Kaupapa

- 8.1 This consultation is public and open to any person or organisation.
- 8.2 As per the 23 January 2020 Council resolution CNCL/2020/00008, all Committees of the Whole have been delegated authority to approve draft submissions on behalf of the Council.

### Other Legal Implications / Ētahi atu Hīraunga-ā-Ture

- 8.3 There is no legal context, issue or implication relevant to this decision.

## 9. Risk Management Implications Ngā Hīraunga Tūraru

- 9.1 There are no significant risks associated with this decision.

## Attachments / Ngā Tāpirihanga

No.	Title	Page
A 	Draft submission to the Panel considering the Future for Local Government Review	8

In addition to the attached documents, the following background information is available:

Document Name	Location / File Link
Review into the Future for Local Government	<a href="https://futureforlocalgovernment.govt.nz/">https://futureforlocalgovernment.govt.nz/</a>

## Confirmation of Statutory Compliance / Te Whakatūrutanga ā-Ture

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).

(a) This report contains:

- (i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and
- (ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.

(b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.

## Signatories / Ngā Kaiwaitohu

<b>Author</b>	Ellen Cavanagh - Policy Analyst
<b>Approved By</b>	David Griffiths - Head of Strategic Policy & Resilience Lynn McClelland - Assistant Chief Executive Strategic Policy and Performance

30 June 2022

03 941 8999

53 Hereford Street  
Christchurch 8013

PO Box 73013  
Christchurch 8154

[ccc.govt.nz](http://ccc.govt.nz)

The Future for Local Government Independent Panel  
Department of Internal Affairs  
WELLINGTON

[futureforlg@dia.govt.nz](mailto:futureforlg@dia.govt.nz)

## Christchurch City Council submission to the Future for Local Government Independent Panel

### Introduction

1. Christchurch City Council (the Council) thanks the Future for Local Government Panel (the Panel) for the opportunity to provide comment on Review proposals.
2. The key points we wish to highlight are set out in this covering letter. The attachment also includes our further specific comments on the five key shifts and associated change options identified by the Panel.

### Key Points

1. This review must be about the future of government in New Zealand. It cannot simply be about local government, local governance or local democracy.
2. A more integrated wellbeing approach is already being embedded across the public sector and stands at the heart of local government work. Local Government's contribution needs to be better understood and integrated with national systems and services.
3. This review needs to acknowledge and build on local government strengths and address the constraints we face.
4. Local government needs to continue to build relationships with mana whenua while the Crown must clarify local government's role in the Treaty partnership.
5. It's time to completely re-think local authority funding and financing.
6. Finally, special attention also needs to be paid to the role of cities.

### Submission

This review must be about the future of government in New Zealand. It cannot simply be about local government, local governance or local democracy.

3. This review must be grounded in a new joined-up governance system based on partnership. While roles and responsibilities are important it must focus on where, and how local government, central government and communities can best be integrated to deliver genuine wellbeing benefits. A genuine central and local government partnership, founded on mutual respect and trust, is critical to this. Together we and the communities we serve, face huge challenges in a disruptive environment. To address these challenges most effectively, we need to understand the whole system of government and how we play to the strengths of everyone - centrally, regionally and locally in concert with *Te Tiriti o Waitangi* (Te Tiriti) partners.

4. Aotearoa New Zealand requires new, shared governance arrangements with nationally integrated planning to deliver agreed outcomes with greater central recognition of the role and importance of councils to our communities and to our place. The new arrangements must be better placed than the status quo to accommodate and respond positively to differing perspectives around issues of national significance – proximity to the community, to enable local input, must be considered. This means a system design that delivers outcomes at the most appropriate level with clear criteria, consistent with the principle of subsidiarity, for determining where decision-making, funding, service capability and capacity and accountabilities are best located.
5. Local government's place-based connection to our communities must be leveraged and adequately resourced to strengthen the overall relationship between the Crown and hapū/iwi/Māori under Te Tiriti. Further information relevant to this point is included below in the discussion around the need for statutory clarity about the status and role of councils relative to Te Tiriti partners.
6. All this will not be achieved without a major paradigm shift. To drive that shift we propose statutory recognition of councils as government partners. This would involve better recognition by central government of Mayors and Councillors as elected community leaders and representatives; and require structural changes to make our national decision-making more inclusive and responsive to individual and collective council views on any issue of interest to them.
7. To help drive the shift, we also propose a new statutory duty for central government and councils to cooperate in national, regional and local contexts. Central government regulatory impact assessment requirements should also explicitly refer to the need to assess local government impacts, including related cost implications and funding options (ie, in more depth than is currently the case).
8. The optimal scope and role of the regional layer of government needs to be factored into this review as well, instead of simply being determined by default, as a result of separate reform processes that were instigated before this Review and which are proceeding at a far more rapid pace.
9. We also recommend further examination of models such as the Public Transport Operating Model (PTOM) which have severe limitations and have not assisted local government in promoting active and public transport in order to meet its climate adaptation and wellbeing goals. The competitive market model has not worked well in supporting local public transport.

**A more integrated wellbeing approach is already being embedded across the public sector and stands at the heart of local government work. Local Government's contribution needs to be better understood and integrated with national systems and services.**

10. The purpose of local government as currently stated in the Local Government Act 2002 (the Local Government Act) includes "...promote the social, economic, environmental, and cultural well-being of communities in the present and for the future". Accordingly, wellbeing sits at the centre of our strategic direction-setting. Council services and facilities do more than simply 'promote' wellbeing. By addressing a wide range of social, cultural, environmental and economic issues we improve and protect wellbeing through our planning, investments and

actions – all intended to enhance the lives of people who live, learn, work and play within our communities.

11. It is increasingly well understood that no one organisation or sector alone has the ability to deal with the “complex issues” that have emerged, and will continue to do so, in today’s complex world. Partnership and collaboration is vital to harnessing the full range of resources and expertise required to address issues such as poverty, housing, drugs and gang violence and climate change. An integrated, synergistic approach to dealing with these issues takes significant time and resources to develop to a high standard and requires the total commitment and confidence of all parties towards supporting partnership and collaboration. Engendering this level of commitment must be the number one priority of the Panel.
12. Councils stand ready to work together with Te Tiriti partners on how best to invest in delivering equitable wellbeing outcomes through harnessing the knowledge, skills and passion of our local communities. We already offer a range of programmes and resources that facilitate community action. Our parks partnership programmes support better environmental outcomes as well as enabling community members to connect and develop as leaders. Just one of these projects, which is working towards a Healthy Ōpāwaho / Heathcote River, involves over 100 schools and early education centres.
13. For example, the Government is seeking improvements in the prevention of chronic disease, through initiatives such as [Healthy Families NZ](#) which operate in a limited number of communities. We encourage the Panel to imagine the potential if the whole local government sector was empowered to support initiatives such as this by leveraging the broad benefits council facilities and services directly contribute to community wellbeing.
14. Local government can contribute to integrated, community-led prevention approaches. The [Healthy Homes](#) initiative is another example where councils’ contribution through social housing, education programmes and other support services could be better integrated nationwide.
15. To date we see little evidence of the potential value of local government in partnering with central government being hard-wired into planning and delivery processes. The Pae Ora (Healthy Futures) Act 2022 requires Health New Zealand to consult local authorities affected by the locality plan but doesn’t require our involvement in co-designing services or initiatives or even in working in partnership with Health New Zealand to promote community wellbeing. These are, in our view, ongoing opportunities lost. This practical failure to recognise, understand, acknowledge, promote, pursue and resource councils as essential partners in the locality-based health reforms urgently needs to change.
16. We want the opportunity of a meaningful partnership with the Government where we decide together how our joint resources should be invested to drive better wellbeing outcomes. We want central government agencies to understand and engage with us about the opportunity to deliver a collaborative, prevention-oriented approach.
17. While the Government tends to operate vertically, down through agencies, councils often engage horizontally; working across a wide range of community, private, tertiary and other sectors. We bring convening, enabling and facilitation approaches to issues that need an integrated game plan. In this way we build a ground-up view of what is driving wellbeing and what is undermining it, in our communities.
18. Delivering wellbeing for all requires effective alignment and coordination of national and local resources and collaboration based on strong, positive and constructive relationships, including with hapū /iwi/Māori.

19. We would also welcome a clear road map of how this review fits into the other, very wide-ranging reforms also in play. This road map should take the whole-of-government approach recommended above and clarify the envisaged role for local government as a key part of our democracy. The resource management and three waters reforms, clearly, are going to have a fundamental impact on our sector yet they are happening quite separately and on a different timetable to this process. This substantial reform programme rolling out in a disjointed manner is hindering the ability of local government to engage in meaningful way.

**This review needs to acknowledge and build on local government strengths and address the constraints we face.**

20. Local authorities based around communities of interest are an essential part of New Zealand's democracy. The strengths of councils need to be acknowledged and used as a platform to build the capability and capacity to better serve all our communities into the future. This will involve central government learning to trust and empower councils to promote and protect national interests, and to make sound decisions about matters that concern them locally.
21. Councils exist to enable citizens to participate in decision-making that affects them in local and regional contexts. This enables people to influence how their personal and community needs are met and to hold their representatives accountable for the performance of functions at the most appropriate level.
22. Fundamentally a council's strength lies in our connections to place and the people who live or otherwise spend time in our districts. Councils and their communities embody the sense of place – tūrangawaewae – that is essential to building thriving local communities with the confidence and spirit to change the world. This enables us to transcend an increasingly virtual world and ground our sense of community in the reality of our people.
23. We work to enable local action and a local voice. Our city-shaping efforts build a sense of belonging and connection within and between the communities we serve. A well-functioning democracy simply cannot exist without this strong sense of place and a feeling of belonging that drives social cohesion and engagement in civic and national processes. The importance of this has been highlighted in our community's response and ongoing recovery from the impacts of devastating earthquakes with support from central agencies, councils in Greater Christchurch and our many community organisations.
24. We are close to our communities and can engage with them in ways that central government simply can't. Local government decision-making takes place in public, and if our communities aren't happy with a decision or a likely course of action they tell us, straight away, often face-to-face.
25. This open decision-making format is a challenge as well as a strength. By way of comparison, consider the almost total confidentiality of advice given to Government Ministers, with that advice and Cabinet papers usually only being released for public scrutiny after decisions have been made. Central government should be cognisant of the spotlight this system often places on local elected members, the pressure that it brings to bear on critical decisions, and the effect the system has on public perceptions of local government. Having central government acknowledge the environment we work in and the pressures that come with that would go a long way towards building public confidence in local governance.
26. We also face other challenges and constraints – including a loss of capacity and capability. Currently, central government recruitment of high numbers of local government staff is adding

to this challenge. Public service capability must be viewed as a whole, with a national framework for competency that also considers the resourcing required to step up the relationship with mana whenua. The Local Government New Zealand (LGNZ) submission to the Panel, released recently, provides an excellent overview of the difficulties local government currently faces and makes sound recommendations. We support and reiterate these recommendations.

### Local government needs to continue to build relationships with mana whenua while the Crown must clarify local government's role in the Treaty partnership.

27. As councils are created by statute, the statute must provide clarity about the status and role of local government alongside the Tiriti partners. From our perspective councils should be regarded by the Crown (and recognised in statute) as equal partners in all matters affecting the rights and interests of the communities we represent.
28. The current provisions of the Local Government Act about relationships with hapū/iwi/Māori are weak and so open to interpretation they become virtually meaningless. Words used in the Act, such as 'providing opportunities', 'taking into account', 'considering' and 'relevant' do not provide the certainty needed to underpin and ensure appropriate relationship building with our Tiriti partners.
29. Councils could act on behalf of the Crown as a Treaty partner, but first the Crown must be clear about the role councils are to play. The Government needs to provide consistent national guidance, effective transition arrangements and adequate ongoing funding for hapū/iwi/Māori and councils to build and maintain the necessary capabilities and capacity. That is how we can all build and sustain an effective and mutually beneficial partnership consistent with the principles of the Treaty.
30. While the Government tends to engage at the iwi level, several councils are exploring structures that enable engagement at a local, place-based level. In our case, this means engaging with the Papatipu Rūnanga which exist to uphold the mana of their people over the land, sea and natural resources in their area. We acknowledge this work needs more resourcing and capability on our side and we recognise the pressures the constant requests for engagement and consultation place on hapū/ iwi/Māori. Also, requests often do not acknowledge te ao Māori approaches or, wherever possible, the importance of conversations happening kanohi ki te kanohi (face-to-face).
31. While we clearly need to strengthen our work in this area across local government, we are well-placed to engage with hapū, building local approaches connected to place. While Te Tiriti is primarily a Crown responsibility, at the local level, iwi, and hapū or papatipu rūnanga are important social, economic, environmental and political actors, with differing approaches reflecting the perspectives of their place and their communities. Local government's place-based role and connection to community needs to be leveraged to strengthen the overall partnership.

### It's time to completely re-think local authority funding and financing.

32. Local government investment in infrastructure goes well beyond three-waters. It underpins local economic activity and helps catalyse local and regional growth and development. Our

infrastructure projects have direct and indirect economic effects, including economic growth from construction and multiplier effects from remuneration flowing into both local and national economies.

33. More broadly, local authorities make a direct contribution to the economy and to individual and collective wellbeing, through our work to support resilient, sustainable, productive communities. We make a direct contribution to the wealth of Aotearoa New Zealand – wealth in the broadest sense as measured by the Living Standards Framework.
34. We directly support (and invest in) a myriad of critical contributors to wellbeing such as housing, leisure and play opportunities, the environment, places and spaces to connect with others, community safety initiatives, knowledge and skills-building opportunities, volunteering, community-based disaster preparedness work, and much, much more. The contribution this investment brings to community wellbeing needs to be recognised, acknowledged and valued in regional and national contexts. Funding models must be adjusted in ways that recognise this direct contribution and leverage local government investment, knowledge and skills.
35. Funding models also need to recognise and better support the role of local government in enabling a local voice, through our consultation processes.
36. Rates are an unpopular, complex and often inequitable tax. The processes councils must follow to forecast, set and collect much of their revenue on both annual and longer-term bases are also unduly complex, convoluted and expensive. While approaches vary, councils can literally have several hundred different rates and charges for the services we provide.
37. A more cost-effective and fairer approach to council revenue is needed. For example, consider a simple, progressive and modest level of local taxation that could be maintained without a need for regular review or adjustment to generate a significant level of base revenue. Like central government taxes, the revenue flow would occur without the need for specific, detailed prior consideration of expenditure or beneficiaries or exacerbators. Straightforward facilities could be established to manage situations where private individuals might struggle to pay.
38. This could be complemented by centrally managed and funded ‘equalisation’ payments to ensure that different local circumstances and cost-pressures are accounted for in the overall funding mix. Multi-year appropriations would help to reduce the annual ‘churn’ and community angst around ‘council rates’ in all their forms. Removing the direct association between a rates bill and specific community facilities or pieces of infrastructure would be a big help to us and our communities as local decision-makers.
39. Some direct cost recovery through fees and charges for certain council services will always be appropriate (eg, regulatory services relating to the natural and built environments). However, there must be increased fiscal decentralisation to ensure that communities get the broader services they (and central government) expect. These services clearly cannot be delivered if they are only to be funded from the current sources of funding available to local government.
40. As the LGNZ submission also notes, funding needs to follow functions to ensure an end to unfunded mandates. Where a regulatory impact statement indicates that a legislative change will impose new or increased costs on local government, then central government needs to ensure that adequate funding accompanies the change (even if it is only transition funding to support councils as they make system changes, establish required capability and capacity and any ongoing cost recovery mechanisms provided for in the legislation). We suggest Treasury use the Budget process to sense-check the impact that policies will have on local government, and recommend also that the template for regulatory impact statements is amended to more clearly cover off local government considerations.

Finally, special attention also needs to be paid to the role of cities.

41. Cities drive economic growth and connect their residents, surrounding populations and our national community to a wider set of opportunities through a wide range of services and facilities. As the LGNZ submission notes, they face distinct governance challenges.
42. Many cities in Aotearoa New Zealand are, due to their coastal location, uniquely vulnerable to natural hazards. Christchurch is the most at risk community in New Zealand in terms of homes and infrastructure likely to be affected by sea level rise and rising water tables. This is a significant burden for our community to shoulder and the effects will impact on Canterbury and the South Island rather than just certain parts of Christchurch. A sensible, partnership-based approach is needed to spread the burden equitably.
43. We also recognise that rural and provincial councils have their own sets of specific challenges. This reflects the varying nature and location of our communities and highlights the importance of empowering and supporting effective local democratic arrangements.
44. With all this in mind, the Review must deliver recommendations that will ensure a positive, supportive, fully integrated outcomes-focused system of government consistent with principles of subsidiarity, partnership and sustainability.

Thank you for the opportunity to provide this submission. For any clarification on points within this submission please contact David Griffiths, Head of Strategic Policy and Resilience, [david.griffiths@ccc.govt.nz](mailto:david.griffiths@ccc.govt.nz).

Yours sincerely

*Signed by either the Mayor (Council submission) or CEO (staff submission)*

Attachment: Specific comments on key shifts and change options

1. Strengthened Local Democracy

	Comments
<p><b>Shift/Outcome</b> A governance system that is considered legitimate, where the process of democracy and the electoral system empower citizens, community and business to enable community outcomes to be achieved and is strong enough to address the complexities of the 21st century.</p>	<ul style="list-style-type: none"> <li>○ The proposed shift is achievable and desirable, but must be anchored by democratically elected bodies (councils), based around substantial communities of interest</li> <li>○ To do otherwise would fail to recognise the strengths of councils through their proximity to, and representation of their communities, and the implications for communities and central government</li> <li>○ While it is important that all perspectives are heard and considered, some community outcomes inevitably involve trade-offs. It is important to recognise the reality of ‘winners’ and ‘losers’ in some decision-making – it may not always be possible to achieve a win-win’ outcome</li> <li>○ Transparent decision-making at the ‘right’ level within clear strategic, operational and accountability frameworks will be critical to the success of the system</li> <li>○ Increased participation by well-informed citizens, in elections as well as processes, should also be part of what the shift aims to achieve</li> </ul>
<p><b>1.</b> Provide a mix of participatory, deliberative and representative democratic tools, and support multi-generational representation.</p>	<ul style="list-style-type: none"> <li>○ A mix of tools is desirable and achievable, but care must be taken to avoid: <ul style="list-style-type: none"> <li>○ undue complexity</li> <li>○ unreasonable costs or delays</li> </ul> </li> <li>○ Costs should generally fall where they lie, but some Crown funding support should be available to those with a genuine interest who might otherwise struggle to participate</li> <li>○ Central government needs to work with councils, iwi/Māori and others to confirm: <ul style="list-style-type: none"> <li>○ the best available tools</li> <li>○ how performance monitoring and reporting will work</li> </ul> </li> <li>○ Affordability for all councils operating in widely varying circumstances is an issue that will need to be addressed in some detail</li> </ul>
<p><b>2.</b> Enable hybrid systems to complement elected members, including iwi/Māori and appointed experts.</p>	<ul style="list-style-type: none"> <li>○ The costs and benefits will need to be thoroughly assessed, including through consideration of lessons-learned from existing hybrid systems</li> <li>○ A compelling story of public value must underpin such systems</li> <li>○ There will be substantial additional costs and there are limits to what councils of all sizes can fund themselves</li> <li>○ Accountability and transparency around the roles being played will be essential</li> <li>○ Adequate funding will be needed to support transition and a sustainable funding stream for ongoing operational costs</li> </ul>
<p><b>3.</b> Develop systems that support and sustain governance representatives.</p>	<ul style="list-style-type: none"> <li>○ Support needs to be available to potential governance reps before they put themselves forward for consideration –to help them understand the role and what it entails (opportunities and responsibilities)</li> <li>○ We agree this is important, but caution against reinventing the wheel – look at what is needed, what is already available and effective (fit-for-purpose already or adaptable) and build on that</li> <li>○ There must be a complementary mix of central and local systems, delivery mechanisms and funding that takes account of who primarily benefits</li> <li>○ Ongoing assessment of relevance and effectiveness will be necessary to ensure it evolves according to need</li> </ul>

	Comments
<p>4. Enable representation from minority groups e.g. create and resource clear pathways, provide ongoing support programmes and mentor new leaders.</p>	<ul style="list-style-type: none"> <li>○ Supporting diversity is important, but challenging due to broad scope, uncertainty about demand and what is available to build on and it being a substantial new cost</li> <li>○ This will likely require central leadership and funding to establish high quality programmes</li> <li>○ Ongoing assessment of relevance and effectiveness will be necessary to ensure it evolves according to need</li> </ul>
<p>5. Explore electoral administrative systems, longer terms and voter eligibility criteria (e.g. younger voters).</p>	<ul style="list-style-type: none"> <li>○ Exploration needs to be centrally led and funded, with strong local input in system design</li> <li>○ The exploration needs to be undertaken with clear terms of reference including the 'problem(s)' under consideration</li> <li>○ Recommendations needs to be evidence-based and supported by sound impact and cost-benefit analysis</li> <li>○ There needs to be transparency around implementation risks and trade-offs if changes are to proceed</li> <li>○ Any changes will require appropriate transition arrangements and longer-term effectiveness monitoring</li> </ul>

DRAFT

## 2. Stronger Focus on Wellbeing

	Comments
<p><b>Shift/Outcome</b></p> <p>Wellbeing is at the heart of everything council delivers, putting Papatūānuku and people at the heart of what we do. All policy decisions consider future generations and actively partner with iwi and community.</p>	<ul style="list-style-type: none"> <li>○ There is a need to acknowledge that, while some bottom lines are obvious, the definition of success and the pathway to success may differ substantially for every district and its communities</li> <li>○ Central government needs to work with councils, iwi/Māori and others to confirm how performance monitoring and reporting will work – noting that attribution will always be a challenge</li> <li>○ We need improved tools for monitoring progress on wellbeing outcomes which are built into appropriate long-term planning processes</li> </ul>
<p>1. Local government is a broker, bridge builder, connector and supporter of ideas to support positive change in the community it serves, with a genuine focus on a coordinated approach to building social cohesion and wellbeing.</p>	<ul style="list-style-type: none"> <li>○ The scope of the role, the contexts in which it will be enabled and how central government will support and contribute need to be clear</li> <li>○ There is a need to consider whether and how existing compliance processes like long-term planning fit with an approach like this</li> <li>○ Councils need to be, and be seen as, flexible, agile, responsive - <u>not</u> static organisations – this will be a challenge for some due to a history of more compliance-focused work in settings that encourage a relatively risk averse approach</li> <li>○ Building capacity and capability for this role will take time and strategic human resource plans will need to account for the shift</li> </ul>
<p>2. Increasing central and local government collaborative efforts to focus on wellbeing, including health, housing, education, community safety, and economic, social, cultural and environmental wellbeing.</p>	<ul style="list-style-type: none"> <li>○ There will be value in aligning and coordinating national and local resources and collaborating on a range of wellbeing-related actions</li> <li>○ To be successful there will need to be a positive, constructive and rapid re-set of the central and local government relationship</li> <li>○ Without new, more flexible funding arrangements and/or funding streams councils ability to contribute and collaborate will be limited</li> <li>○ Initially, the focus should be on health reforms and locality processes – the role of councils in locality work is yet to be explicitly recognised or explained (ie, beyond the statutory requirement to consult with local authorities)</li> </ul>
<p>3. Local government functions, roles and structures that reflect the appropriate level of subsidiarity and localism, while securing needed resources and economies of scale to ensure competent, sustainable and resilient entities/organisations.</p>	<ul style="list-style-type: none"> <li>○ This is effectively a statement of how the best public value can and should be achieved</li> <li>○ It is more reflective of what the entire review should deliver – namely a viable and better form of local government in all these respects (ie, rather than just in terms of a wellbeing focus).</li> </ul>
<p>4. Supporting residents to change from being mostly passive recipients of services to active citizens as innovators, participators, and partners in achieving community wellbeing outcomes</p>	<ul style="list-style-type: none"> <li>○ There is potential for a more active citizen approach to add value and improve outcomes</li> <li>○ However, the extent that some or all residents want this in practice is uncertain (ie, some, perhaps many, may be happy to be passive, except when personally motivated to identify ‘improvement opportunities’)</li> <li>○ Residents’ interests in their community are diverse, often conflicting and short and long-term interests vary widely. Building systems and people that deal well with this will likely be both challenging and costly</li> </ul>

### 3. Authentic Relationship with Hapū/Iwi/Māori

	Comments
<p><b>Shift/Outcome</b></p> <p>Local government has an authentic and effective relationship with Hapū/Iwi, embodying the intentions and principles of Te Tiriti, beyond representation at the governance table, to achieve equitable outcomes for Māori.</p>	<ul style="list-style-type: none"> <li>○ We recognise that this means moving beyond mutual understanding and respect to genuine partnership (joint decision-making) and, where relevant, empowerment (hapū/iwi/Māori decide for themselves)</li> <li>○ There is a need to recognise and respond to the value of mātauranga Māori and understand that Māori groups each have their own distinct views of their rohe and part of the motu (one size does not fit all)</li> <li>○ Providing adequate funding and capability will be the key to success for both councils and Māori – and to avoid overwhelming hapū/iwi/Māori, who are exhausted by a multitude of partnering requests</li> <li>○ The Crown needs to confirm in statute the place of councils alongside hapū/iwi/Māori and the Crown as a Treaty partners, and provide councils with funding to deliver against the responsibility it entails</li> <li>○ Consistent national guidance is required for councils along with robust transitional arrangements</li> <li>○ A range of metrics could be used to monitor progress, including: <ul style="list-style-type: none"> <li>○ levels of partnering in strategic decision-making</li> <li>○ the extent that Māori values are incorporated</li> <li>○ levels of resourcing from all sources (including relative equity of access to funding) and empowerment</li> <li>○ levels of te ao Māori capability in councils</li> </ul> </li> </ul>
<p>1. Local government has a role in helping the stories of the past be told in order to move forward. Acknowledging the past is an important part of reconciliation along with learning about the history of place.</p>	<ul style="list-style-type: none"> <li>○ Agree that councils have a role, and need to help increase the visibility of such stories, including by employing, training and upskilling staff and accessing and supporting mana whenua capacity</li> <li>○ Some operating costs could be borne by councils, but some Crown funding support will also be needed, depending on the topic and approach.</li> </ul>
<p>2. Championing, and investing in, Te Ao Māori and tikanga in the way local government operates and what is valued.</p>	<ul style="list-style-type: none"> <li>○ As above</li> </ul>
<p>3. Acknowledging place and the opportunity for Hapū/iwi/Māori to be involved in decision-making, to be a decision maker and deliverer of services and activities (exercising tino rangatiratanga).</p>	<ul style="list-style-type: none"> <li>○ We agree that structures and decision-making processes need to be developed that appropriately recognise rangatiratanga</li> <li>○ There is a need to manage the risk of this approach being perceived as not democratic</li> <li>○ Capability and capacity need to be developed and Crown guidance, support and funding to achieve this across the board is essential given its kawanatanga role</li> </ul>

	Comments
	<ul style="list-style-type: none"><li>○ Transition and implementation need to acknowledge and account for impacts of health, three waters and resource management reforms, which are all driving change in hapū/iwi/ Māori involvement in decision-making</li></ul>
4. Additional capacity for iwi/Māori to participate in local governance	<ul style="list-style-type: none"><li>○ Increased hapū/iwi/Māori capacity is supported, but there is a need to recognise and respond to the new pressures this puts on systems, decision-making timeframes and elected members</li><li>○ Mana whenua will also need to invest in capacity building and providing the constructive guidance councils will need to overcome implementation challenges</li></ul>

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#### 4. Genuine Partnership between Central Government and Local Government

	Comments
<p><b>Shift/Outcome</b></p> <p>A citizen and community centred local government that provides an integrated community view aligned to support local and national objectives.</p>	<ul style="list-style-type: none"> <li>○ We support this, but note the need to recognise and address situations where community and local government views do not align with national (central government) objectives</li> <li>○ Need to ensure genuine partnership and a culture shift in central government that includes greater understanding of councils and their roles</li> <li>○ All parties must engage positively and constructively to develop a truly collaborative, respectful and integrated approach</li> <li>○ To ensure a sustainable approach, new revenue options for councils are needed and new/joint funding models are required</li> <li>○ Central government expertise and resources would need to be deployed alongside local government expertise and local community relationships</li> <li>○ Redistributing power and roles can't happen overnight – they will need to happen in careful steps and with active community support</li> <li>○ Consider the role of community volunteers and how to engage them in the transition.</li> <li>○ Monitoring and metrics will need to account for a phased, transitional approach and the necessary cultural change too</li> </ul>
<p>1. Long-term vision and outcomes for Aotearoa New Zealand enabling partnership between central and local government</p>	<ul style="list-style-type: none"> <li>○ Local government has a key role to play in climate adaptation and communities will look to councils for local leadership</li> <li>○ Politics will inevitably result in changes in strategic alignment. A flexible partnership framework based on high levels of trust will be able to accommodate such changes</li> <li>○ Central government must ensure: <ul style="list-style-type: none"> <li>○ communities and the councils that represent them are sufficiently involved in setting the vision and desired outcomes</li> <li>○ certainty of affordability and funding for local government to ensure programmes continue to be delivered</li> </ul> </li> </ul>
<p>2. A governance model that operates as strong strategic partner with central government</p>	<ul style="list-style-type: none"> <li>○ Any new, shared governance arrangements would require greater central recognition of the role and importance of councils and an increase in the power and placement of local decision-makers in the national system</li> <li>○ The governance model would need to be able to accommodate and respond positively to differing positions and perspectives around issues of national significance</li> <li>○ Central government should meet the operational costs of the model, with councils meeting their own participation costs</li> <li>○ As evidenced by the Greater Christchurch Plan and urban growth partnerships, changes to local governance arrangements can</li> </ul>

	Comments
	accommodate the needs and interests of councils of all types and sizes
3. Deliberate structure for partnerships between central and local government, iwi, business and communities	<ul style="list-style-type: none"> <li>○ There needs to be agreement on how to work together most effectively - recognising value in the skills that different organisations bring</li> <li>○ Some structures, such as regional skills leadership groups, have emerged and developed to become well-structured partnerships that help to resolve local issues</li> <li>○ This needs to be evaluated on a case-by-case basis and some tailoring will be required to ensure the best approach for each issue</li> <li>○ Structures of partnerships also need to be flexible enough to accommodate changes in central government</li> <li>○ Central government should meet the operational costs of the model, with councils meeting their own participation costs</li> </ul>
4. Transparent funding and accountability for service delivery and local priorities	<ul style="list-style-type: none"> <li>○ We agree, but note that a genuine partnership cannot be based on one party being seen as a service delivery contractor</li> <li>○ The primary accountability must be to the affected community in terms of outcomes and value for money</li> <li>○ If councils are to provide more services, there needs to be more funding from central government commensurate with the full transition and implementation costs</li> <li>○ Currently there is a lack of local government involvement in the health reforms. If local government is to play a role in identifying local priorities, we need to be involved across all aspects of the reform.</li> </ul>

5. More Equitable Funding

	Comments
<p><b>Shift/Outcome</b></p> <p>A stable revenue system that provides certainty of funding sources and enables central and local government to be effective partners and co-investors in community outcomes and priorities, with local government's funding policies supporting equity-based progressive taxation principles</p>	<ul style="list-style-type: none"> <li>○ We agree there should be a stable and certain revenue system, but adequacy and revenue that reflects levels of economic activity over time is also important (ie, to enable an effective response to fluctuating demands)</li> <li>○ Aotearoa New Zealand needs to move away from low levels of fiscal decentralisation, unfunded mandates and a rating system that drives less than ideal decision-making (ie, partly due to community proximity and resistance to rates increases)</li> <li>○ Central government needs to be a more meaningful funder of local government priorities and services to ensure that communities get the services central government expect</li> <li>○ There is a need for structured partnership approaches to service delivery funding and impact assessments that ensure no more unfunded mandates</li> <li>○ Rates are a confused and complicated mix of taxes, levies and user charges, the application of which can, despite genuine endeavours to do otherwise, create significant inequities - we must be able to do so much better than the status quo</li> </ul>
<p>1. Central and local government agree a fair basis for funding community outcomes, taking account of communities' ability to pay</p>	<ul style="list-style-type: none"> <li>○ We agree that fairness and ability to pay are important considerations in agreeing a funding approach</li> <li>○ There is also a need to take account of the contribution local government makes to community wellbeing through existing services, facilities, and infrastructure</li> <li>○ Consideration should be given to enabling national progressive taxation to be applied at a local level, as well as improving and simplifying local taxation</li> <li>○ There will need to be provision for regular reviews to ensure demographic and other changes are accounted for</li> </ul>
<p>2. Legislation and funding policies and practices support principles of equity/wellbeing</p>	<ul style="list-style-type: none"> <li>○ Local government needs to have more ability to introduce revenue streams that best suit their local community (eg, congestion charging and visitor levies)</li> <li>○ Legislation needs to assume that local government will make the best decisions it can for its local community and for future sustainability, but include regulatory impact assessment requirements to ensure this occurs</li> <li>○ This would be a major step forward from what appears to be a longstanding (and wrong) central government assumption that local government will often make poor decisions that result in negative net community wellbeing</li> <li>○ Funding options that need to be seriously considered include:</li> <li>○ Central government transfers to fund local government costs, including when undertaking mandated community engagement,</li> </ul>

	Comments
	<p>strategic and service planning, service delivery and impact monitoring and reporting</p> <ul style="list-style-type: none"> <li>○ Fees and charges to recover certain policy development and implementation costs</li> <li>○ Local visitor levy. The ability to charge a levy on visitors via a bed tax to fund infrastructure and services provided to meet visitor demand and/ or level of service expectations.</li> <li>○ Congestion charges and road tolls</li> </ul>
3. Making flexible general and special purpose financing tools available	<ul style="list-style-type: none"> <li>○ We agree in principle, but each would need to be assessed on its merits (eg, whether it is in the community's best interest and how they stack up against other options)</li> <li>○ Councils should be able to implement new levies or taxes that can be collected by the council itself (or on its behalf).</li> <li>○ Central government could approve the broad parameters for local government-initiated levies or taxes, which would then be implemented by local government in a manner specific to local conditions in line with appropriate community engagement</li> </ul>

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