



Our reference
F19/13/03-D21/26182

30 November 2023

Extraordinary Meeting and Farm and Aerodrome Committee

Notice is hereby given that an Extraordinary Meeting of Council will be held in Committee Meetings of Council will be held in the **Council Chambers, Stratford District Council, 63 Miranda Street, Stratford** on **Tuesday 5 December 2023** beginning at **10.30am**.

The Farm and Aerodrome Committee Meeting will begin at **12noon**.

Timetable for 5 December 2023 as follows:

10.30am	Extraordinary Meeting of Council - LGNZ Future by Local Government Position
11.30am	Lunch
12noon	Farm and Aerodrome Committee
1.00 pm (Approx)	Workshop (<i>to follow the committee meeting</i>) - Committee self-review

Yours faithfully

Sven Hanne
Chief Executive

2023 - Agenda - Extraordinary - December

05 December 2023 10:30 AM - 12:00 PM



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AGENDA

Extraordinary



F22/55/05 – D23/48036

Date: Tuesday 5 December 2023 at 10.30AM
Venue: Council Chambers, 63 Miranda Street, Stratford

1. Welcome
 - 1.1 **Opening Karakia**
D21/40748 Page 4
 - 1.2 **Health and Safety Message**
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2. Apologies
3. Announcements
4. **Declarations of members interest**
Elected members to declare any real or perceived conflicts of interest relating to items on this agenda.
5. **Attendance Schedule**
Attendance schedule for Ordinary and Extraordinary Council meetings.
6. **Decision Report – Consensus Outcome Paper on the Future By Local Government**
D23/47938 Page 7

Recommendations

1. THAT the report be received.
2. THAT Stratford District Council agree to vote in favour of / vote against / abstain for the proposed resolution at the upcoming Local Government special general meeting to endorse **The Future by Local Government – A consensus outcome paper** as LGNZ's agreed basis for engagement and advocacy with central government on local government system reform.

Recommended Reason

This is a political decision. Council protocol is that staff generally do not offer an opinion regarding political decisions.

/
Moved/Seconded

7. Questions
8. **Closing Karakia**
D21/40748 Page 30



Our reference
F19/13/03-D21/40748

Karakia

Kia uruuru mai
Ā hauora
Ā haukaha
Ā haumāia
Ki runga, Ki raro
Ki roto, Ki waho
Rire rire hau Paimārire

I draw in (to my being)
The reviving essence
The strengthening essence
The essence of courage
Above, Below
Within, Around
Let there be peace.



Our reference
F19/13/03-D22/17082

Health and Safety Message

In the event of an emergency, unless guided to an alternative route by staff, please exit through the main entrance. Once outside the building please move towards the War Memorial Centre congregating on the lawn area outside the front of the council building.

If there is an earthquake, please drop, cover and hold where possible. Remain indoors until the shaking stops and you are sure it is safe to exit or remain where you are until further instruction is given.

5. Attendance schedule for 2023 Ordinary and Extraordinary Council meetings.

Date	14/2/23	14/3/23	11/4/23	9/5/23	13/6/23	11/7/23	8/8/23	12/9/23	10/10/23	14/11/23	05/12/23	12/12/23
Meeting	O	O	O	O	O	O	O	O	O	O	E	O
Neil Volzke	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Steve Beck	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Grant Boyde	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Annette Dudley	✓	✓	✓	✓	✓	✓	✓	✓	✓	A		
Jono Erwood	✓	✓	✓	✓	✓	✓	✓	✓	✓	A		
Ellen Hall	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Amanda Harris	AV	✓	✓	✓	✓	✓	✓	✓	✓	✓		
Vaughan Jones	✓	✓	✓	✓	A	✓	✓	✓	✓	✓		
Min McKay	✓	✓	S	✓	✓	✓	A	✓	✓	✓		
John Sandford	S	S	S	✓	✓	✓	✓	✓	✓	✓		
Clive Tongaawhikau	✓	A	✓	✓	A	✓	✓	✓	✓	✓		
Mathew Watt	✓	✓	✓	A	✓	✓	✓	✓	✓	✓		

Key	
O	Ordinary Meeting
E	Extraordinary Meeting
EM	Emergency Meeting
✓	Attended
A	Apology/Leave of Absence
AB	Absent
S	Sick
(AV)	Meeting held, or attended by, by Audio Visual Link

DECISION REPORT



F22/55/04 – D23/47938

To: Council
From: Chief Executive
Date: 5 December 2023
Subject: Consensus Outcome Paper on the Future By Local Government

Recommendations

1. THAT the report be received.
2. THAT Stratford District Council agree to vote in favour of / vote against / abstain for the proposed resolution at the upcoming Local Government special general meeting to endorse **The Future by Local Government – A consensus outcome paper** as LGNZ's agreed basis for engagement and advocacy with central government on local government system reform.

Recommended Reason

This is a political decision. Council protocol is that staff generally do not offer an opinion regarding political decisions.

/
Moved/Seconded

1. Purpose of Report

- 1.1 To decide how Stratford District Council will vote on the proposed resolution at the upcoming Local Government New Zealand (LGNZ) Special General Meeting to endorse **The Future by Local Government – A consensus outcome paper** as LGNZ's agreed parameters for further engagement and advocacy with central government on local government system reform.

2. Executive Summary

- 2.1 The Future for Local Government Review (FFLG) was initiated in 2021 in response to a request from local government. It was designed to address the collective impacts of reform programmes on the function and role of local government, address new and increasing challenges faced by local government, and renew and better equip local governance for the future.
- 2.2 The independent FFLG Panel engaged extensively with local government over its two-year duration and did broad and extensive research on models and effective local governance arrangements around the world. Its final report closely reflected LGNZ's submission on a previously released draft.
- 2.3 When the final FFLG report was released, councils were clear they wanted to drive change themselves rather than central government imposing change.
- 2.4 To this end, LGNZ's 2023 AGM agreed to develop a consensus position or positions on the final FFLG report. And on that basis, LGNZ facilitated an inclusive process for members to reach consensus with each other. This has resulted in the consensus outcome paper titled **The Future by Local Government** (appendix 1). This future-focused policy paper, if adopted, would provide LGNZ with parameters for engagement with the incoming government.
- 2.5 To realise the changes set out in the consensus outcome paper, central government needs to act.

- 2.6 This will only happen if local government is united in seeking change and is prepared to play a constructive role in making it happen. Adoption of the position statement would send this signal.
- 2.7 Failure to adopt the consensus outcome paper could result in little action or unilateral reform by central government – both of which take local government out of the driving seat.

3. Local Government Act 2002 – Section 10

Under section 10 of the Local Government Act 2002, the Council’s purpose is to “enable democratic local decision making by and on behalf of communities; as well as promoting the social, economic, environmental, and cultural well-being of communities now and into the future”			
Does the recommended option meet the purpose of the Local Government 4 well-beings? And which:			<i>Indirectly it does, no matter whether it is status quo or reform, as the outcome will impact the functions of local government across the board.</i>
Social	Economic	Environmental	Cultural
✓	✓	✓	✓

4. Background

4.1 Establishment of the Future For Local Government Review

- 4.1.1 In April 2021, in response to calls from LGNZ and the wider local government community, an independent review of local government was announced by the government.
- 4.1.2 This was an immediate response to significant policy reform driven by the previous government across water services, resource management, climate change and the health system, all of which centralised decision making and altered the role of local government. But it was also in response to other significant challenges facing local government, such as climate change, infrastructure decay and significant funding pressures.
- 4.1.3 Specifically, there had also been a long history of advocacy around the need for system reform addressing aspects such as funding and participation.
- 4.1.4 The overall purpose of the Review was to identify how our system of local democracy and governance needed to evolve over the next 30 years, to improve the wellbeing of New Zealand communities and the environment, better partner with central government, and actively embody Treaty partnership.
- 4.1.5 The scope of the Review comprised what local government does (roles, functions, partnerships), how it does it (including representation and governance), and how it pays for it.

4.2 Local Government engagement with the Future of Local Government Review

- 4.2.1 Since the Review launched in April 2021, LGNZ has engaged extensively with members to understand what is important to them.
- 4.2.2 We held multiple workshops and discussions with councils to gather feedback and engage them in this work, including:
 - a) National workshops for elected members and council staff on some of the draft report’s key themes. These included separate sessions on strengthening local democracy, the future structure of local government, and councils’ non-negotiables for future change. Each of these three workshops were attended by 60-100 mayors, chairs, elected members, chief executives and council officers.

- b) Hosting the Review Panel at LGNZ Sector meetings. Each of the Rural and Provincial, Metro and Regional Sectors had an opportunity to provide feedback and ask questions about the draft report and the Panel's future direction. We also held discussions with both the Te Maruata Rōpū Whakahaere and wider whānui to receive their feedback on the draft report.
- c) National workshops on each of the Panel's five priority question areas and key shifts, which were well attended by mayors, chairs, elected members, chief executives and council officers. Up to 200 members attended some of the sessions. These workshops informed our Vision for the Future paper that we shared with the Panel in May 2022.
- d) Scenario workshops based on three possible futures for local government, with our Rural and Provincial, Metropolitan, and Regional Sectors, and Young Elected Members' Network.
- e) Sessions on the Future for Local Government were also held with Te Maruata and the Community Boards Executive Committee.
- f) Supporting an independent group of sector representatives to develop a vision for what an integrated public service could look like, and the kinds of change to local government's roles, functions and structures needed to support better outcomes for communities.

4.3 The Future for Local Government Review final report

- 4.3.1 The FFLG Panel released its final report in June 2023. This report made 17 key recommendations including new funding and financing tools, changes to the Local Government Act to explicitly recognise local government as a Te Tiriti partner, different structures, and tools to rebuild trust and confidence in local democracy.
- 4.3.2 The final report's recommendations were intended as a package to deliver lasting changes to the system as a whole.
- 4.3.3 The Panel's report says that while there is a real need to transfer resources and level up funding between central and local government, this must come with a commitment to do things differently and change the system to be more responsive to local needs.
- 4.3.4 Many of the recommendations in the final report aligned strongly with what councils raised in their submissions and during engagement with LGNZ.
- 4.3.5 Nineteen of LGNZ's recommendations were included in some form. And 10 out of the 17 final recommendations match the recommendations that LGNZ made in its submission on the draft report.

4.4 The consensus process to develop the position statement

- 4.4.1 Councils were clear that they wanted to drive change themselves rather than central government imposing change. In response to this, members at LGNZ's AGM in July 2023 agreed to take a consensus position or positions on the FFLG report to enable councils to have a strong platform from which to advocate to the incoming government.
- 4.4.2 LGNZ's National Council created an Advisory Group to help guide this process. There was a nomination process, and National Council was mindful of type of council, geographic spread, range of perspectives and diversity when selecting the group. The group is:
 - LGNZ President – Mayor Sam Broughton
 - Te Maruata representatives – Councillor Moko Tauariki, Mayor Faylene Tunui
 - Young Elected Members representative – Councillor Alex Crackett
 - CBEC representative – Co-Chair Sarah Lucas
 - Six other elected members – Mayor Anita Baker, Mayor Max Baxter, Mayor Tim Cadogan, Deputy Mayor Angela O'Leary, Chair Peter Scott and Mayor Andrew Tripe.
 - Three chief executive representatives – Taituarā President (role shared by Barbara McKerrow and Jo Miller), Steve Ruru and Alex Parmley.
- 4.4.3 LGNZ ran two in-person events to help build consensus. The first event on 18 September had 150 attendees and worked through all 17 of the FFLG Panel's recommendations to identify where members might find consensus. It

- produced thousands of post-it notes, which indicated people's views and all of this data was shared with all elected members after the event.
- 4.4.4 The first event ruled some areas in and already agreed and ruled some out. It also identified four focus areas where it might be possible to reach consensus.
- 4.4.5 The second event on 2 November concentrated on these four areas – Funding, System transformation, Te Tiriti, and Wellbeing & working with central government.
- 4.4.6 Between the first and second events, LGNZ also ran online engagement through a new platform that allowed people to see how their opinions fit with other people's and make comments. In total 164 people engaged with the online platform, though not every person answered every question. People from 19 councils participated.
- 4.4.7 Supporting all of this engagement was a range of email communication, including designed emails to all elected members, promotion in *Keeping it Local*, personal emails from the LGNZ President, and personal emails from the LGNZ CE.
- 4.4.8 Off the back of all of this engagement, the LGNZ team and the Advisory Group have produced **The Future by Local Government**, which reflects the conversations that members have had and the parameters that have been reached through the consensus building process.
- 4.4.9 The consensus outcome paper will set the direction for advocacy material developed for a central government audience. This tailored material will seek to motivate central government to engage with us and em

4.5 Analysis and Advice

- 4.5.1 While local government can act independently to implement some of the actions we are recommending, central government action is essential for comprehensive implementation of many of the issues covered in the consensus outcome paper.
- 4.5.2 Any major reform of the local government system presents risk for central government. The issues and opportunities covered in the consensus outcome paper would require significant focus and could expose any government to criticism. This is why it is so important for local government to be clear how it sees a future system best evolve.
- 4.5.3 Both major political parties have yet to publicly respond to the substance of the FFLG report and have signalled a desire to understand the views of local government on the recommendations and the way forward. This strongly suggests that the next and future governments would only engage on reform on the scale set out in the consensus outcome paper if local government was clear and united on what it wanted. Local government might also be expected to demonstrate a commitment to be constructively engaged during the process of negotiating and implementing any agreements around reform.
- 4.5.4 A clear set of preferred outcomes adopted by local government, to form the basis for ongoing engagement with central government, is therefore a prerequisite for action.
- 4.5.5 An adopted consensus outcome paper will also help to set the parameters for local government in discussions with the Government, noting that ongoing engagement with local government would be critical throughout that process.
- 4.5.6 Failure to adopt the consensus outcome paper could have several unintended consequences, all of which are inefficient and ultimately counterproductive to the aspirations of both local and central government. These potential outcomes include:
- Unilateral action by central government on those aspects of the report that it saw as desirable;
 - Other central government reforms driving change of the local government system (eg water services and resource management reform);
 - The incoming government dismissing the previous FFLG report and starting the process anew, resulting in significant delays and duplication of previous consultation with local government;
 - Little intentional change in the local government system, with current challenges exacerbated and the impact of local government weakened, to the detriment of communities; and/or

- Lost opportunities to deliver better across the whole system of government – central, regional and local – for our communities.

4.6 Next Steps

- 4.6.1 If adopted, LGNZ will use the adopted consensus outcome paper to engage with the incoming government and find agreement on comprehensive reform of the local government system. Continuing strong and transparent member engagement would be an essential part of this process.
- 4.6.2 The consensus outcome paper would set the direction for advocacy material developed for a central government audience. This tailored material would seek to motivate central government to engage with us and emphasise the value local government brings to meeting their aspirations.

5. Consultative Process

5.1 Public Consultation - Section 82

Public consultation is not required.

5.2 Māori Consultation - Section 81

Sperate consultation with iwi is not required.

6. Risk Analysis

Refer to the Council Risk Register - available on the Council website.
<ul style="list-style-type: none"> • Does this report cover any issues that relate to any risks on the Council Risk Register, and if so which risks and what are the impacts and likelihood of eventuating? • Does this report cover any issues that may lead to any new risks that are not on the Council Risk Register, and if so, provide some explanation of any new identified risks. • Is there a legal opinion needed?

6.1 Consequences of failing to adopt the consensus document are noted in 4.5.6 above, however this also relates directly to *Risk 78 Operational – Government Policy Impacting on Local Government*

7. Decision Making Process – Section 79

7.1 Direction

	Explain
Is there a strong link to Council’s strategic direction, Long Term Plan/District Plan?	Structural reforms will impact all aspects of council operations and directly as well as indirectly influence council’s strategic plans and strategic direction.
What relationship does it have to the communities current and future needs for infrastructure, regulatory functions, or local public services?	Structural reforms will impact all aspects of council operations, including infrastructure, regulatory functions and local public services.

7.2 Data

<ul style="list-style-type: none"> • Do we have complete data, and relevant statistics, on the proposal(s)? • Do we have reasonably reliable data on the proposals? • What assumptions have had to be built in?
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As noted in section 4.

7.3 **Significance**

	Yes/No	Explain
Is the proposal significant according to the Significance Policy in the Long Term Plan?	No	
Is it:	No	
• considered a strategic asset; or	No	
• above the financial thresholds in the Significance Policy; or	No	
• impacting on a CCO stakeholding; or	No	
• a change in level of service; or	No	
• creating a high level of controversy; or	No	
• possible that it could have a high impact on the community?	No	

In terms of the Council's Significance Policy, is this proposal of high, medium, or low significance?		
High	Medium	Low
		✓

7.4 **Options**

<p>An assessment of costs and benefits for each option must be completed. Use the criteria below in your assessment.</p> <ol style="list-style-type: none"> 1. What options are available? 2. For each option: <ul style="list-style-type: none"> • explain what the costs and benefits of each option are in terms of the present and future needs of the district; • outline if there are any sustainability issues; and • explain if the outcomes meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions? 3. After completing these, consider which option you wish to recommend to Council, and explain: <ul style="list-style-type: none"> • how this option is the most cost effective option for households and businesses; • if there are any trade-offs; and • what interdependencies exist.

Option 1

To vote in favour of the proposed resolution at the upcoming Local Government special general meeting to endorse **The Future** by **Local Government – A consensus outcome paper** as LGNZ's agreed basis for engagement and advocacy with central government on local government system reform.

Option 2

To vote against the proposed resolution at the upcoming Local Government special general meeting to endorse **The Future** by **Local Government – A consensus outcome paper** as LGNZ's agreed basis for engagement and advocacy with central government on local government system reform.

Option 3

To abstain for the proposed resolution at the upcoming Local Government special general meeting to endorse **The Future** by **Local Government – A consensus outcome paper** as LGNZ's agreed basis for engagement and advocacy with central government on local government system reform.

7.5 **Financial**

- Is there an impact on funding and debt levels?
- Will work be undertaken within the current budget?
- What budget has expenditure come from?
- How will the proposal be funded? eg. rates, reserves, grants etc.

The proposed reforms are purely conceptual at this stage and no costings have been done on the outcomes. A number of the reforms are specifically designed to address current cost/funding issues councils are experiencing under the status quo.

7.6 **Prioritisation & Trade-off**

- Have you taken into consideration the:
- Council's capacity to deliver;
 - contractor's capacity to deliver; and
 - consequence of deferral?

There is no direct trade-off or prioritisation with regard to the outcome of this report. As outlined within the report, a failure to deliver a consensus outcome has the potential to result in unilateral reforms driven by central government or a piecemeal approach by individual councils within the limitations of existing legislation with little ability to jointly drive change.

7.7 **Legal Issues**

- Is there a legal opinion needed?
- Are there legal issues?

There are no immediate legal issues. Legal issues will be taken into consideration depending on the direction of travel of this reform work. Legal advice would be sought collectively if a consensus position is reached rather than on a council-by-council basis.

7.8 **Policy Issues - Section 80**

- Are there any policy issues?
- Does your recommendation conflict with Council Policies?

There are no obvious policy issues. Structural reforms would however require policy review to ensure alignment of functions and policies.

Attachments:

Appendix 1 - The Future by Local Government: A consensus outcome paper based on Choosing Localism

Appendix 2 - LGNZ template decision report



Sven Hanne
Chief Executive

Date 30 November 2023

Appendix 1



THE FUTURE BY LOCAL GOVERNMENT

// A consensus outcome paper based on Choosing Localism

// NOVEMBER 2023





It's time for a brighter future

Local government sees growing momentum for change and wants to drive that shift. The status quo faces huge funding pressure, with councils navigating difficult decisions as they deliver for communities while fulfilling unfunded mandates from central government. Current funding models are unsustainable; debt is increasing but so are infrastructure deficits.

Over the past three years, an independent panel identified ways to transform the local government system, with the Review into the Future for Local Government releasing its final report in June 2023. In July 2023, LGNZ's AGM resolved to develop a consensus position or positions on this report, to create a powerful advocacy platform. Together we've developed this consensus outcome paper through a series of in-person meetings and engagement. It sets parameters for conversations with the new Government and future governments.

To better serve our communities, the whole system of government needs to change, not just local government. An integrated system, with local government as a key strategic partner, would transform Aotearoa New Zealand's democratic landscape. Central government would focus on national direction, regulation and responses, while local government grows local delivery on the ground. Public money would be shared in a way that increases efficiency, delivering better outcomes for the communities we all serve. This would supercharge local government's ability to deliver the social, economic, environmental and cultural needs our communities are demanding at place – ultimately delivering future-proofed infrastructure and a more prosperous country.

Choosing localism sits at the heart of this work. To choose localism means central and local governments commit to working together and entrust communities with a greater role in decision making. It also means allowing communities and councils to try different things, specifically tailored to their region, sub-region or place. When done well this pays huge dividends, as demonstrated around the world. Progress would not be instant but span across years and decades. The changes also rely on LGNZ's work to lift the capability of local government, and on a commitment from central government to genuinely support local government in addressing the challenges our communities face.

Local government wants communities to succeed through empowered local leadership, genuine partnership and locally led delivery. These proposals would drive towards that:

1. Build a new system of government that's fit for purpose;
2. Rebalance the country's tax take between central and local government;
3. Create stronger, more authentic relationships between local government and iwi, hāpu and Māori;
4. Align central, regional and local government priorities; and
5. Strengthen local democracy and leadership.

This paper sets out the outcomes from a consensus building process that local government can stand behind.



What are we aiming for?

Our vision

This vision articulates where local government wants to go and what we are ultimately trying to achieve:

Thriving, resilient communities throughout Aotearoa New Zealand.

What does this mean?

- Every New Zealander belongs to a community that’s sustainable, safe, resilient to the impacts of our changing climate, prosperous, full of opportunities for all, and inclusive.
- New Zealand is a network of communities where people feel connected to each other and their place.
- Local government is the key driver of this vision because it’s the only part of government that has specific responsibility for our communities and their wellbeing – social, economic, environmental and cultural.
- Communities are fundamental to the future and role of local government.

Our purpose

Our purpose articulates why local government exists and what we are here to do:

To help communities succeed through empowered local leadership, genuine partnership and locally led delivery.

What does this mean?

- Councils are led by strong, capable and well-supported leaders who have the mandate to make good, long-term decisions for their local communities.
- Councils work in genuine, authentic ways with central government, iwi and hapū, NGOs and the community to identify specific local and regional issues and design appropriate solutions.
- Councils work with their communities and partners to deliver services that meet the unique needs of the various groups in their rohe.



Our way forward

1. Build a new system of government that's fit for purpose

We need a fit-for-purpose system of government that meets communities' unique, local needs while addressing the complex challenges facing New Zealand. To do both, we must collectively determine which services and activities are best delivered locally, regionally and centrally – and how best to fund them. The *form* of a future local government system should follow these *functions*.

While we need clarity on function first, after that local government is up for the conversation on form – and wants to lead it. There's an opportunity to transform the system as long as this is driven locally, with different places able to come up with their own solutions. Reorganisation might be right for some areas but not for others: one size doesn't fit all.

These are essential elements of the transformed system:

- Power is devolved to local communities where that makes sense;
- A four-year term of local government
- Infrastructure investment that's fit for the future
- Continuous learning and system improvement;
- Performance measurement and accountability;
- System stewardship is enhanced, including improving how local government honours and gives effect to Te Tiriti o Waitangi; and
- Opportunities to test out different governance and delivery approaches. This means recognising different areas need to be able to come up with their own solutions and approaches.

As well as working together to design and build a new system of local government, central and local government must build a more effective working relationship. However, establishing a dedicated Crown agency – as proposed by the FFLG Panel – is not the best way forward. Rather than creating a new layer of bureaucracy, existing institutions could fulfil this role.

Specific actions

- Provide dedicated funding that allows local government to transition to a future system; and
- Agree to including the Minister of Local Government in Cabinet to make it clear local government is a strategic partner.



Areas for central and local government to work together on

In the short term (12 months)

- Create a joint working group with cross party support to develop a roadmap for change, with commitment from Treasury and the Department of Prime Minister and Cabinet to invest in local government system changes;
- Rationalise the scope and requirements on councils in their financial planning, particularly for long-term plans, to reduce cost and enable councils to focus on the aspects that make the most difference for communities and their accountability to them.
- Amend the Local Government Act to set the local government term at four years from the 2025 elections.

In the medium term (two-three years)

- Determine, via the joint working group, which services and activities are best delivered locally, regionally and centrally, with the objective of devolving more powers to a local level;
- Undertake experimental approaches in different regions to test out different governance and delivery approaches, potentially through city and regional deals;
- Establish a transition unit, or similar, to support capability development in local government while we build a system that is fit for purpose;
- Support local government leaders by investing in adaptive leadership capability so they can lead effectively through a period of system renewal, with a focus on innovation, experimentation and partnership;
- Improve local government data collection and introduce benchmarking to support performance measurement and a focus on continuous learning and improvement;

In the long term (three-seven years)

- Have determined, in consultation with communities, what structures and funding models are needed; and
- Design the necessary legislative and regulatory framework.

2. Rebalance the country's tax take between central and local government

Local government needs sufficient funding to deliver locally led solutions to the big issues facing our communities.

The current funding model for local government is unsustainable. It means local government cannot address the range of complex issues facing our communities, including providing infrastructure to support growth and dealing with climate change mitigation and adaptation.

A successful, sustainable system of local government requires a new approach to funding, where central government and local government commit to working together to agree a way forward. The



flow of money between central and local government needs to be rebalanced so we can deliver more efficiently for communities rather than competing with each other for funds.

With the status quo increasingly under strain, inaction is an inefficient and counterproductive choice. Solving the funding challenge will create greater prosperity and better economic outcomes. It also opens the door to place-based solutions like city and regional deals.

Specific actions

- Increase central government investment in local government through:
 - returning revenue equivalent to GST charged on rates; and
 - paying rates on Crown property.
- Incentivise regional economic growth by returning a proportion of all GST to its point of origin.
- Cabinet specifically considers the funding implications of proposed policy decisions for local government, and fund or negotiate the costs that councils are mandated to meet by central government policies.
- Allow a toolbox approach to funding so that, where appropriate, local government can set and determine local taxes such as local fuel tax, bed tax, and congestion charging.

Areas for central and local government to work together on

- Develop sustainable funding models for infrastructure investment; and
- Develop funding arrangements for climate change mitigation and adaptation.

3. Create stronger, more authentic relationships between local government and iwi, hapū and Māori

Any fit-for-purpose system of local government will honour and give effect to a Tiriti-based partnership between local government and iwi, hapū and Māori. Many councils have well-established relationships with iwi and hapū, which are delivering broader benefits for their communities. Other councils are in the early stages; they need capacity and capability support to grow these relationships.

To create stronger, more authentic relationships, all councils need to work in partnership with iwi, hapū and Māori within their respective rohe and takiwā, and ensure te ao Māori, mātauranga Māori and tikanga are an everyday part of local government.

- To support and strengthen these relationships, we need a new legislative framework for Te Tiriti-related provisions in the Local Government Act 2002. We also need to address the funding and capacity challenges facing both local government and iwi, hapū and Māori.



Specific actions

- 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;
- Introduce a statutory requirement for councils and iwi, hapū and Māori to develop partnership frameworks to give effect to Te Tiriti o Waitangi provisions; and
- Introduce a statutory requirement for councils to prioritise and invest in developing and strengthening local government capability and capacity in the areas of Te Tiriti o Waitangi, te ao Māori values, mātauranga Māori, and tikanga to improve local government as a Te Tiriti o Waitangi partner.

Areas for central and local government to work together on

- Undertake a comprehensive review (jointly by central government, local government and iwi/hapū) of requirements for engaging with iwi, hapū and Māori across all legislation that impacts local government to find opportunities to streamline or align those requirements.

4. Align central, regional and local government priorities

We want to work with central government to develop a process for determining shared priorities at a regional level and aligning these with the priorities of central government. This could include these steps:

1. Councils determine their priorities, in partnership with hapū/iwi and local communities, and identify which priorities cannot be implemented with existing revenue;
2. All councils in a region agree their shared local priorities and develop a 'regional package';
3. Central government and regions negotiate the priorities included in the regional package, including roles and responsibilities, funding, accountabilities and any partnerships with NGOs or the private sector; and
4. Councils and central government finalise their Plans based on the agreements reached.

Areas for central and local government to work together on

Ensure that (through statutory provisions or other means):

- Central government and local government commit to aligning wellbeing priorities and agreeing place-based investment plans;
- Budgets and planning documents, other local/regional strategies, and central government plans and strategies are aligned and cohesive;
- Intergenerational accountability is embedded through an outcomes framework; and
- Budgets and planning documents and place-based investment plans are tracked and measured to assess progress and effectiveness.



5. Strengthen local democracy and leadership

Local government wants its communities to actively participate in local democracy. But voter turnout has been decreasing and engagement meets the needs of some groups better than others. Local government elections need the same degree of focus and promotion as general elections.

A more engaged society leads to better solutions and decisions. Local government is committed to developing and investing in democratic innovations, including participatory and deliberative democracy processes. But further changes are needed to strengthen local democracy.

Specific actions

- Amend Part 6 of the Local Government Act 2002 to support and encourage greater use of participatory and deliberative democracy processes (such as citizens' assemblies or using a representative sample of the population to respond to a particular question) that can be easily tailored to meet communities' unique needs and circumstances;
- Task the Electoral Commission with investigating options for online or electronic voting, so that the way people vote is fit for the future. New modes of voting could be tested in local body elections;
- Invest in civics education, particularly in secondary schools, to encourage greater participation in local decision making.
- Have the Electoral Commission run and invest in the promotion of all elections to the same standard as central government elections. That should include design and oversight, standard setting, promotion of elections (while allowing local councils to customise campaigns to suit local needs), specific initiatives to encourage diversity of candidates, determination of the election method, and conduct of the election process.

Appendix 2



TEMPLATE PAPER FOR COUNCILS

// Consensus outcome paper on the Future **by** Local Government

// NOVEMBER 2023





This template paper has been created to support councils using a business meeting to decide how they will vote.

Purpose

1. To decide how [Name of Council] will vote on the proposed resolution at the upcoming Local Government New Zealand (LGNZ) Special General Meeting to endorse **The Future by Local Government – A consensus outcome paper** as LGNZ's agreed parameters for further engagement and advocacy with central government on local government system reform.

Executive summary

2. The Future for Local Government Review (FFLG) was initiated in 2021 in response to a request from local government. It was designed to address the collective impacts of reform programmes on the function and role of local government, address new and increasing challenges faced by local government, and renew and better equip local governance for the future.
3. The independent FFLG Panel engaged extensively with local government over its two-year duration and did broad and extensive research on models and effective local governance arrangements around the world. Its final report closely reflected LGNZ's submission on a previously released draft.
4. When the final FFLG report was released, councils were clear they wanted to drive change themselves rather than central government imposing change.
5. To this end, LGNZ's 2023 AGM agreed to develop a consensus position or positions on the final FFLG report. And on that basis, LGNZ facilitated an inclusive process for members to reach consensus with each other. This has resulted in the consensus outcome paper titled **The Future by Local Government** (attachment A). This future-focused policy paper, if adopted, would provide LGNZ with parameters for engagement with the incoming government.
6. To realise the changes set out in the consensus outcome paper, central government needs to act.
7. This will only happen if local government is united in seeking change and is prepared to play a constructive role in making it happen. Adoption of the position statement would send this signal.
8. Failure to adopt the consensus outcome paper could result in little action or unilateral reform by central government – both of which take local government out of the driving seat.

Motion



That [name of council] agree to [vote in favour of / vote against / abstain for] the proposed resolution at the upcoming Local Government special general meeting to endorse **The Future by Local Government – A consensus outcome paper** as LGNZ’s agreed basis for engagement and advocacy with central government on local government system reform.



Context

Establishment of the Future for Local Government Review

1. In April 2021, in response to calls from LGNZ and the wider local government community, an independent review of local government was announced by the government.
2. This was an immediate response to significant policy reform driven by the previous government across water services, resource management, climate change and the health system, all of which centralised decision making and altered the role of local government. But it was also in response to other significant challenges facing local government, such as climate change, infrastructure decay and significant funding pressures.
3. Specifically, there had also been a long history of advocacy around the need for system reform addressing aspects such as funding and participation.
4. The overall purpose of the Review was to identify how our system of local democracy and governance needed to evolve over the next 30 years, to improve the wellbeing of New Zealand communities and the environment, better partner with central government, and actively embody Treaty partnership.
5. The scope of the Review comprised what local government does (roles, functions, partnerships), how it does it (including representation and governance), and how it pays for it.

Local government engagement with the Future for Local Government Review

6. Since the Review launched in April 2021, LGNZ has engaged extensively with members to understand what is important to them.
7. We held multiple workshops and discussions with councils to gather feedback and engage them in this work, including:
 - a. National workshops for elected members and council staff on some of the draft report's key themes. These included separate sessions on strengthening local democracy, the future structure of local government, and councils' non-negotiables for future change. Each of these three workshops were attended by 60-100 mayors, chairs, elected members, chief executives and council officers.
 - b. Hosting the Review Panel at LGNZ Sector meetings. Each of the Rural and Provincial, Metro and Regional Sectors had an opportunity to provide feedback and ask questions about the draft report and the Panel's future direction. We also held



discussions with both the Te Maruata Rōpū Whakahaere and wider whānui to receive their feedback on the draft report.

- c. National workshops on each of the Panel's five priority question areas and key shifts, which were well attended by mayors, chairs, elected members, chief executives and council officers. Up to 200 members attended some of the sessions. These workshops informed our Vision for the Future paper that we shared with the Panel in May 2022.
- d. Scenario workshops based on three possible futures for local government, with our Rural and Provincial, Metropolitan, and Regional Sectors, and Young Elected Members' Network.
- e. Sessions on the Future for Local Government were also held with Te Maruata and the Community Boards Executive Committee.
- f. Supporting an independent group of sector representatives to develop a vision for what an integrated public service could look like, and the kinds of change to local government's roles, functions and structures needed to support better outcomes for communities.

The Future for Local Government Review final report

8. The FFLG Panel released its final report in June 2023. This report made 17 key recommendations including new funding and financing tools, changes to the Local Government Act to explicitly recognise local government as a Te Tiriti partner, different structures, and tools to rebuild trust and confidence in local democracy.
9. The final report's recommendations were intended as a package to deliver lasting changes to the system as a whole.
10. The Panel's report says that while there is a real need to transfer resources and level up funding between central and local government, this must come with a commitment to do things differently and change the system to be more responsive to local needs.
11. Many of the recommendations in the final report aligned strongly with what councils raised in their submissions and during engagement with LGNZ.
12. Nineteen of LGNZ's recommendations were included in some form. And 10 out of the 17 final recommendations match the recommendations that LGNZ made in its submission on the draft report.



The consensus process to develop the position statement

13. Councils were clear that they wanted to drive change themselves rather than central government imposing change. In response to this, members at LGNZ's AGM in July 2023 agreed to take a consensus position or positions on the FFLG report to enable councils to have a strong platform from which to advocate to the incoming government.
14. LGNZ's National Council created an Advisory Group to help guide this process. There was a nomination process, and National Council was mindful of type of council, geographic spread, range of perspectives and diversity when selecting the group. The group is:
 - LGNZ President – Mayor Sam Broughton
 - Te Maruata representatives – Councillor Moko Tauariki, Mayor Faylene Tunui
 - Young Elected Members representative – Councillor Alex Crackett
 - CBEC representative – Co-Chair Sarah Lucas
 - Six other elected members – Mayor Anita Baker, Mayor Max Baxter, Mayor Tim Cadogan, Deputy Mayor Angela O'Leary, Chair Peter Scott and Mayor Andrew Tripe.
 - Three chief executive representatives – Taituarā President (role shared by Barbara McKerrow and Jo Miller), Steve Ruru and Alex Parmley.
15. LGNZ ran two in-person events to help build consensus. The first event on 18 September had 150 attendees and worked through all 17 of the FFLG Panel's recommendations to identify where members might find consensus. It produced thousands of post-it notes, which indicated people's views and all of this data was shared with all elected members after the event.
16. The first event ruled some areas in and already agreed and ruled some out. It also identified four focus areas where it might be possible to reach consensus.
17. The second event on 2 November concentrated on these four areas – Funding, System transformation, Te Tiriti, and Wellbeing & working with central government.
18. Between the first and second events, LGNZ also ran online engagement through a new platform that allowed people to see how their opinions fit with other people's and make comments. In total 164 people engaged with the online platform, though not every person answered every question. People from 19 councils participated.
19. Supporting all of this engagement was a range of email communication, including designed emails to all elected members, promotion in *Keeping it Local*, personal emails from the LGNZ President, and personal emails from the LGNZ CE.
20. Off the back of all of this engagement, the LGNZ team and the Advisory Group have produced **The Future by Local Government**, which reflects the conversations that members have had and the parameters that have been reached through the consensus building process.
21. The consensus outcome paper will set the direction for advocacy material developed for a central government audience. This tailored material will seek to motivate central



government to engage with us and emphasise the value local government brings to meeting their aspirations.

Analysis and advice

22. While local government can act independently to implement some of the actions we are recommending, central government action is essential for comprehensive implementation of many of the issues covered in the consensus outcome paper.
23. Any major reform of the local government system presents risk for central government. The issues and opportunities covered in the consensus outcome paper would require significant focus and could expose any government to criticism. This is why it is so important for local government to be clear how it sees a future system best evolve.
24. Both major political parties have yet to publicly respond to the substance of the FFLG report and have signalled a desire to understand the views of local government on the recommendations and the way forward. This strongly suggests that the next and future governments would only engage on reform on the scale set out in the consensus outcome paper if local government was clear and united on what it wanted. Local government might also be expected to demonstrate a commitment to be constructively engaged during the process of negotiating and implementing any agreements around reform.
25. A clear set of preferred outcomes adopted by local government, to form the basis for ongoing engagement with central government, is therefore a prerequisite for action.
26. An adopted consensus outcome paper will also help to set the parameters for local government in discussions with the Government, noting that ongoing engagement with local government would be critical throughout that process.
27. Failure to adopt the consensus outcome paper could have several unintended consequences, all of which are inefficient and ultimately counterproductive to the aspirations of both local and central government. These potential outcomes include:
 - Unilateral action by central government on those aspects of the report that it saw as desirable;
 - Other central government reforms driving change of the local government system (eg water services and resource management reform);
 - The incoming government dismissing the previous FFLG report and starting the process anew, resulting in significant delays and duplication of previous consultation with local government;
 - Little intentional change in the local government system, with current challenges exacerbated and the impact of local government weakened, to the detriment of communities; and/or
 - Lost opportunities to deliver better across the whole system of government – central, regional and local – for our communities.



Next steps

28. If adopted, LGNZ will use the adopted consensus outcome paper to engage with the incoming government and find agreement on comprehensive reform of the local government system. Continuing strong and transparent member engagement would be an essential part of this process.
29. The consensus outcome paper would set the direction for advocacy material developed for a central government audience. This tailored material would seek to motivate central government to engage with us and emphasise the value local government brings to meeting their aspirations.

Attachments

Attachment A: The Future by Local Government: A consensus outcome paper based on Choosing Localism



TE KAUNIHERA Ā ROHE O
WHAKAAHURANGI
STRATFORD
DISTRICT COUNCIL

Our reference
F19/13/03-D21/40748

Karakia

Kia uruuru mai
Ā hauora
Ā haukaha
Ā haumāia
Ki runga, Ki raro
Ki roto, Ki waho
Rire rire hau Paimārire

I draw in (to my being)
The reviving essence
The strengthening essence
The essence of courage
Above, Below
Within, Around
Let there be peace.