

SUBMISSION ON THE REVIEW INTO THE FUTURE FOR LOCAL GOVERNMENT DRAFT REPORT

Introduction

Through its review into the future for Local Government, the Panel can effect meaningful change to positively impact citizen-level, community-level, regional-level and national-level wellbeing outcomes. There is a limited window of opportunity to make needed changes.

Hutt City Council and Mana Whenua partners are committed to a partnership approach to delivering positive wellbeing outcomes for generations to come. But the solution requires full support from central government to work collaboratively with local government and hapū / iwi / and Māori across the country with shared accountability on agreed local outcomes.

The Government's present model for supporting local outcomes does not support individuals, families, or communities to thrive. Lack of funding, unfocused central investment planning, ill-defined mandates, restrictive legal frameworks, inconsistent boundaries between iwi and territorial authorities (TA), and limits on capacity and capability all combine into disconnected policies and systems that fail to deliver equitable and meaningful change to our citizens.

The Panel's Draft Report presents many recommendations and opportunities that, if implemented in partnership with local government, central government and iwi could result in meaningful and enduring wellbeing outcomes for everyone. Our submission comprises recommendations that aim to shape and strengthen the final report toward implementation of reform.

Re-framing of the five Shifts

The Draft Report proposes five key shifts that are necessary to implement change at the Local Government level. Although we agree with these shifts, we propose to reframe them to demonstrate the prime importance of a genuine partnership approach between Local Government, Central Government, hapū / iwi / and Māori. We believe that this partnership must sit at the very front of any reform programme. Without this partnership, achievement of the other shifts and implementation of any recommendations will be difficult to achieve.

A proposed new model for the hierarchy of shifts is set out at Appendix 1. This shows how reframing the shifts to acknowledge a hierarchy of importance will drive the key priority of local governance as one that impacts wellbeing, resilience, social cohesion, and equitable outcomes for our communities. This key priority in turn supports the following key outcomes:

- Genuine partnership between Central Government and Local Government;
- Meeting our guardian and stewardship responsibilities to our people over the next 30 years;
- Better place-based planning and investment programmes across the public sector to effectively address the wellbeing of our people and place-based infrastructure;
- Better local governance through co-investment and co-accountability for local outcomes, prioritising resilience, climate change, equity, wellbeing and social cohesion; and

- Better local governance through centrally defined bottom lines (kawa) delivered regionally and locally (tikanga) (eg He Ara Waiora and the Pacific Wellbeing Strategy).

Prioritising the partnership across Local and Central Government, hapū / iwi / and Māori will naturally support and enable the other three shifts and key outcomes identified in the Draft Report:

- Shift – Strengthened local democracy
 - Key outcome – increased public trust and engagement
- Shift – Stronger focus on wellbeing
 - Key outcome – thriving resilient communities
- Shift – More equitable funding and resourcing
 - Key outcome – increased ability to deliver quality services that bridge equity gaps

Recommendation

We recommend that any proposed reform must place a genuine partnership between Local and Central Government and an authentic relationship with hapū / iwi / and Māori as a foundational priority for change.

High-impact opportunities

Within the Draft Report's 29 recommendations, we have identified two high-impact opportunities that will deliver meaningful and enduring outcomes—a centralised funding model and a re-allocation of roles and functions between local and central government.

Centralised funding model

It is clear that the current funding model is unsustainable. Our communities are facing more frequent, larger, and more complex challenges including those related to climate change. Revenue from local rate payers is insufficient to address the challenges ahead.

A new, intergenerational, centralised funding model needs to be established with enduring, cross-party political support. A centralised fund needs to be set up as soon as possible so that vital interventions such as climate change mitigation actions can be delivered. This investment should give local government the discretion to focus funding on plans for people and places, rather than activity classes in central agencies which frequently duplicates work and leaves gaps.

A centralised funding model is an example of the type of change that sits at the key priority level in our proposed model for the hierarchy of shifts. It also highlights the challenges of our stewardship responsibilities in needing to work through three-year government cycles to deliver sustainable outcomes to our people and places over the next 30 years.

Recommendation

We recommend that any reform package must include a finance and resource review aimed at establishing centralised funding for local government with local government discretion.

Allocation of roles and functions

The Local Government Act 2002 (LGA) is outdated and hinders efforts of TAs to be progressive and innovative. LGA compliance burdens demand significant financial and human resources that do not result in effective public engagement or place-based decision-making. A partnership-led model is needed.

Any re-allocation of roles and functions needs to be accompanied by an accountability framework, holding all levels of government, as genuine partners, accountable for investment decisions and local outcomes. Without this, most of the recommendations of the Draft Report will fall short of achieving desired changes.

If we are to achieve a genuine partnership and authentic engagement with hapū / iwi / and Māori, we need to address the disparity between boundaries of iwi and TAs. Some iwi boundaries can cross a number of TA boundaries, resulting in multiple requests for consultation and advice, impacting iwis' capacity for meaningful engagement. TAs may have different processes, policy settings, priorities, making engagement very challenging for iwi. The boundary issue will play a role in any partnership model and needs to be addressed and highlighted in the final report.

A way toward overcoming this disparity would be the establishment of minimum standards at a central level (kawa) to support engagement with hapū / iwi / and Māori at a local or regional level (tikanga). This is another example of a key outcome of a local governance model that has wellbeing, resilience, social inclusion and equitable outcomes at its heart.

Recommendation

We recommend that any reform of allocation of roles and functions must include an accountability framework, consider boundary disparities between territorial authorities, regional councils and iwi, and update the Local Government Act 2002.

Gaps and risks in the Draft Report

Despite the Draft Report's broad scope and range of recommendations, there are gaps and risks that will distract from the ultimate purpose of the review. Many of the recommendations are vague and do not have concrete actions. How the final report will be framed and if it will include any discussion about implementation of recommendations and transitions required for local and central government is also unclear. The purpose of the final report is to propose recommendations for better local governance so it must provide direction on implementing these recommendations.

The Draft Report covers a lot of ground—from local government to Mana Whenua partners, from communities to iwi, from local democracy to funding. Yet, the Draft Report is silent on the regional component. There are a number of areas of responsibility where the purpose and mandate of regional and local councils is ambiguous or conflicting. Clearer lines of purpose between regional and local councils need to be established to avoid duplication of efforts and resource.

The Draft Report is also silent on the obstacles that a lack of funding, capacity and capability play in effective engagement with iwi and communities. Any genuine partnership between local and central government with hapū / iwi / and Māori must address these challenges.

Recommendations

We recommend that any reform also include a review of the roles and functions of regional councils.

We recommend that the final report demand central government address a lack of funding, capacity and capability at the local government level to deliver effective wellbeing outcomes.

Conclusion

Significant reform of local government is needed. Outdated systems and processes hinder progress and innovation; the time for reform is now.

The key priority in any reform package must focus on local governance that impacts wellbeing, resilience, social inclusion and equitable outcomes for our communities. Local government and their Mana Whenua partners, as kaitiaki (stewards), hold the tikanga for their communities and are therefore in a unique position to identify where investment needs to be made to achieve the best wellbeing outcomes. The value of this relationship among TAs, Mana Whenua, and communities cannot be understated, and cannot be replicated by central government.

The reframing of the shifts outlined in this submission is a direct reflection of the importance of these relationships and that local discretion in decision-making is vital to ensure a local voice is guiding local governance. In the final report, we would like to see guidelines for change that support a transition from our current state to a future where local governance is refreshed and resourced to deliver what our residents need and demand of us. What this looks like is a clearer direction for:

- Engagement with communities and a genuine partnership with hapū / iwi / Māori;
- At what levels of government functions and services could be led and delivered, with a greater emphasis on looking at government as a whole;
- Greater clarity and differentiation between what in the report relates to local versus regional government; and
- More specificity regarding how local and central government can partner together, particularly providing greater communication of what the review panel is hearing from our partners in central government as well as the needs of local government.

A new public service model is needed, and a reform of the local government system is long overdue. We have this rare opportunity to convey to Government the need for a genuine partnership based on a shared commitment and accountability for the wellbeing of all citizens.

Appendix 1: A new model for the hierarchy of the five shifts

Key Priority: Local governance that impacts wellbeing, resilience, social cohesion and equitable outcomes for our communities

Key outcomes:

- 1) Genuine partnership between local and central government, hapu / iwi / Maori and communities
- 2) Better place-based planning and programmes across the public sector to allow a focus on people to effectively address wellbeing
- 3) Better local governance through co-investment and co-accountability for local outcomes, prioritising equity, wellbeing and social inclusion
- 4) Better local governance through centrally defined bottom lines (kawa) delivered regionally and locally (tikanga) (eg He Ara Waiora and the Pacific Wellbeing Strategy)

Shift: Strengthened Local Democracy

Key outcome - increased public trust and engagement

Shift: Stronger focus on wellbeing

Key Outcome - thriving, resilient communities

Shift: More equitable funding and resourcing

Key outcome - increased ability to deliver quality services that bridge equity gaps