



Review into the Future for Local Government Speech to LGNZ Conference – 21 July 2022 – Penny Hulse and Jim Palmer

Welcome comment

Jim Palmer:

On behalf of our other Panel members Gael Surgenor, Antoine Coffin and Brendan Boyle, Penny and I are delighted to give you an update on our Panel's thinking as we progress towards our draft report that is planned to be released in mid-October.

Local government has a critical role in responding to the increasingly complex issues facing Aotearoa, and as we have listened to you all, you have made it clear that renewal and change is required to ensure that the sector is ready and able to play that role.

Major changes are necessary for both local government and central government to collaborate and partner more effectively.

We acknowledge that currently with everything going on at times it's difficult to think 20-30 years ahead when all you are focused on is taking the next breath.

Our review is one that the sector asked the Minister to initiate, ... and we want to thank you for all the ways you have connected with our review, through our soundings, meetings with councils, submissions to the Panel, and through all of the engagement that LGNZ has supported us in, including fantastic days this week with Te Maruata and the Young Elected Members hui.

Along with everything else that is going on, now is also the time to pay attention to the Future for Local Government!

Throughout our review we've tried to keep you updated on our thinking as it evolves.

Over the next 20 minutes, or so, Penny and I will give you a flavour of where our thinking is at as we start developing our draft report.

We may not have time for questions after this presentation, so please join us at our workshop immediately following this session where there will be time for questions, or you can send your questions to us at our email.

I'll now pass to Penny to share some of the key changes we are thinking about:

Penny Hulse:

Some of the key changes the panel is likely to include in our draft report are:

We need a whole new approach to how we value and think about local government's role and how to deliver it.

It is clear that complex issues such as climate change, loss of social cohesion and challenging economic conditions are not going to be solved through a centralised approach from Wellington alone, these complex issues will also need to be solved at place, solved locally!

Local government will have to play a far greater role in grappling with these big 21st century challenges. Wellbeing Councils of the future will require new skills, new ideas, innovation, and new ways of working.

That would include Local Government enabling and empowering communities. It will also be asking how it can use its people, purchasing power, infrastructure, facilities, its relationships and reach to create greater value for their communities.

We have seen great examples of councils where this work is already underway and where innovation is thriving. We are working to help create conditions where this way of working becomes the norm, is well funded and supported.

We need a new approach to the way Local Government partners, at place, with Central Government, Iwi/Hapū and its communities.

We believe we will need new institutional arrangements between Central, Local Government and Iwi/hapū to support this.

Local Government can strengthen its anchor institution and facilitator roles at place and be a foundation partner alongside Central Government, Iwi/hapū and community in setting key local priorities, outcomes and opportunities, and importantly co-investing – and co-investing is more than just money ... it's energy, it's passion, and it's commitment.

This would be a major change in the way Local Government and Central Government work together, leveraging the strengths of what each partner can bring to the table. This could see new delivery models evolve.

The role local place making and planning has, at place, is essential to ensure the key objectives and priorities are grounded in the reality of our communities.

We need to rethink how local government facilitates democracy, not delivers it.

To plan effectively in place and to retain and renew the confidence of our communities, we need much more inclusive and innovative democracy tools.

In many countries throughout the world, including Australia, participatory and deliberative democracy processes are regularly used to ensure that the widest and most representative group of voices are heard on key issues.

In Auckland, for instance, Watercare is using this process to set policy on the long-term water sources for the city and Ngati Toa in Wellington are using this process to design a multi-generational Climate change plan.

To ensure that participatory and deliberative democratic processes are effective it will require support for councils to put these into action.

Participatory and deliberative democracy tools need to be supported through new provisions in the Local Government Act.

However, elected members are critical to the success of these processes. As trust in political institutions waiver, this is a way of re-establishing authentic, meaningful, and genuinely democratic decision making. Working to rebuild trust is also about trusting our communities. These processes provide for voices that are often never heard, help our communities be better informed and grow the connections between council and community. This has to be a good thing.

We also need to attract, support and value elected members who instil optimism and confidence in their communities, and who bring diverse perspectives, cultures and backgrounds.

Central government and our communities need to understand and value the role of Local Government and see the possibilities that well-functioning local government can offer its communities. This will inspire people to get more involved at all levels. Civics education is needed to help people understand the relevance of local government, and to also see the possibilities that it offers in building strong communities.

We need quality community governors who are highly capable – we need leaders and connectors with lived experience who know how to bring community together and who are confident enough to make sound long-term decisions. People want meaningful community leadership and hope.

To support this we consider there should be comprehensive mandatory professional development, with better support for elected members. This is not just about governance training but upskilling in all areas including cultural competence, community development, civic innovation, and connection to international best practice. Elected members also need to be adequately remunerated, have decent and supportive work environments and access to support programs.

To increase trust and confidence in the democratic system, we do not think local government should be primarily responsible for leading representation reviews, nor determining voting mechanisms, and we believe local elections should be managed and administered nationally.

We also believe that to genuinely engage our communities, the voting age should be lowered to 16, and terms of elected members being extended beyond three years.

Jim Palmer:

We need Te Ao Māori woven into everything we do.

We aspire to see Te Ao Māori embedded in the New Zealand identity, and that it is reflected in all levels of Government. The Māori world view should be represented in legislation, systems and processes and expressed in the governance, management and operations of local government. Aotearoa should reflect a unique form of liberal democracy that brings the best values of indigenous and western democracy systems.

We can draw on hundreds of years of Māori observation, knowledge and understandings in addressing new challenges ahead of us. Mātauranga Māori brings greater understanding, with placed-based values and enhanced practices that puts papatūānuku and people at the centre.

Accordingly, we need a more explicit recognition of Te Ao Māori concepts of wellbeing and governance values in the purpose and principles of local government.

Also, Tikanga should be used in council meeting and engagement processes, making Local Government a safe space and a welcoming space for Māori to work in.

We need Te Tiriti o Waitangi more explicitly stated within the system of Local Government

The 'Treaty provisions' of the Local Government Act are inadequate - a new legislative framework for the relationship with Māori is required.

The question often asked is - is Local Government an agent of the Crown? We think the better question might be - what does Te Tiriti o Waitangi mean for local government, and what is a fundamentally more meaningful expression of kawanatanga and rangatiratanga, and what would a better recognition of Māori as culturally unique citizens look like?

In our view, Te Tiriti is the framework for inclusion and equity among citizens and enables manawhenua to have a role in decision-making.

Partnerships and relationships between Local Government and Māori should be the norm in every area that falls into the aspiration and needs of iwi, hapū or urban Māori. Clear processes for establishing, setting and adapting governance structures and decision-making processes need to be in place. In some instances, Māori should have a lead role in the design and/or delivery of local government functions.

Importantly, to achieve all of this, it requires a major investment in capacity and capability of local government, including education and upskilling, along with a national framework for increasing capacity for hapū and Iwi to participate meaningfully.

We need to rethink systems and structures

We have heard that in order for the sector to be fit for the future we need to rethink the system and structure that supports local government.

We've heard loud and clear that we need to keep the local in local government, while realising the benefits of economies of scale and scope.

As we've said before, we don't have a firm view on what the future structure should look like. However, we have developed design principles that need to be present in any future system. Through our draft report we will be seeking your feedback on them.

Our draft report will also provide some ideas and examples of structures that we believe could work. We know you'd like to know what these are now ... but, to be honest, we are still considering all of the feedback we have recently received. As I say, we will bring these together in our draft report, and we will be very interested in your thoughts and ideas about them.

As many of you have also told us that as part of the systems rethink, we need smarter ways of working. We need to collaborate more, and it's irrefutable that we need to use technology and economies of scale and scope to streamline processes and systems:

- to be fit for the future and deliver better value, and
- make it easier for communities, citizens and customers to work with us.

We also need to change the way the sector supports itself, as well as how the broader system central government and other bodies, such as the Local Government Commission, can evolve to better support the sector.

Finally, we need new ways of funding community outcomes and service delivery

In our draft report we will propose a major change in funding especially through Central Government's co-investment in community outcomes. This builds on Penny's earlier comments of how we need to partner and co-invest at place.

We consider Local Government also needs the ability and flexibility to create new revenue generating tools, like bed taxes or congestion charging.

To address the ongoing, intergenerational, challenge that climate change will bring to the country and communities, we think there needs to be a substantial war-chest available to fund the needed action. While the securing of the funds must be led nationally, decisions about the application of these funds needs the joined-up consideration that can only really happen at place.

And, as we've mentioned previously, there needs to be funding to support iwi capacity.

Finally, we think rating should remain a key tool for funding local government activities to maintain and reinforce the autonomy and independence of local government. However, there also needs to be a lot more flexibility and removing some of the prescriptive requirements associated with LTPs, Annual Plans and rating setting processes.

So, these are some of things you can expect to see in our draft report – now over to you Penny for some closing comments ...

Penny Hulse:

In some ways what we have presented to you today is not revolutionary; some of this work is happening in councils and communities already, but we have heard that there are barriers to making this business as usual for councils; there are unnecessary requirements to consult in ways that are no longer suitable; and that funding for innovation is challenging. To make a real difference we need an evolutionary approach, a strengths-based approach that builds on what works well.

However, some of the change ideas we've talked about today are not easy ... but we think they're necessary.

If we are to have thriving and prosperous communities, and have a system of local governance and government that we are proud to leave as a legacy to our children and their children, then change needs to start now.

Local government should start now implementing some of the ideas that are within their control, and there are a lot. Also, Central Government can also start now looking at ways of collaborating with Local Government to respond to these big challenges.

We see our suite of recommendations as having a high degree of co-dependency.

We would love to see not only local government commit to the change programme, but also importantly to see cross-party support for the thrust of our recommendations. This has to be a central/ local government partnership for change.....we will not tackle the gnarly challenges of the 21st century without each other.