

Agenda 2023

Council Meeting

Date: Thursday, 7 December 2023 ☐
Time: 1030 AM
Venue: Council Chamber ☐
Environment Canterbury
200 Tuam Street, Christchurch



Membership

Chair	Councillor Peter Scott
Deputy Chair	Councillor Craig Pauling
Membership	Councillor Greg Byrnes Councillor Iaeen Cranwell Councillor Joe Davies Councillor Paul Dietsche Councillor David East Councillor Grant Edge Councillor Tutehounuku Korako Councillor Ian Mackenzie Councillor Claire McKay Councillor Genevieve Robinson Councillor Vicky Southworth Councillor John Sunckell Councillor Deon Swiggs Councillor Nick Ward

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1. Karakia/Mihi Timatanga - Opening

The meeting will be opened with a karakia, followed by a member of the Council with mihi whakatau.

2. Apologies

At the time the agenda closed there were no apologies received.

3. Conflicts of Interest

Members are reminded to be vigilant and to stand aside from decision making when a conflict arises between their role as a representative and any private or other external interest they might have.

4. Public Forum, Deputations and Petitions

There were no requests for public forum, deputations and petitions at the time the agenda was prepared.

5. Extraordinary and Urgent Business

The Chairperson will give notice of items requiring urgent attention not on the agenda as follows.

Matters Requiring Urgent Attention as Determined by Resolution of the Council:

A meeting may deal with an item of business that is not on the agenda where the meeting resolves to deal with that item and the Chairperson provides the following information during the public part of the meeting:

1. The reason why the item is not on the agenda; and
2. The reason why discussion of the item cannot be delayed until a subsequent meeting.

Items not on the agenda may be brought before the meeting through a report from either the chief executive or the Chairperson.

The item may be allowed onto the agenda by resolution of the Council.

Minor Matters relating to the General Business of the Council:

A meeting may discuss an item that is not on the agenda only if it is a minor matter relating to the general business of the meeting and Chairperson explains at the beginning of the public part of the meeting that the item will be discussed. The meeting may not make a resolution, decision or recommendation about the item, except to refer it to a subsequent meeting for further discussion.

6. Notices of Motion

At the time the agenda closed there were no notices of motion received.

7. Report Items

7.1. Local Government New Zealand Special General Meeting

Council report

Date of meeting	7 December 2023
Author	Patrick Lindsay, Principal Strategic Advisor
Responsible Director	Katherine Trought, Strategy and Planning

Purpose

1. To decide how the Canterbury Regional Council will vote at the upcoming Local Government New Zealand (LGNZ) Special General Meeting on the proposed resolution to adopt 'The Future by Local Government - A consensus outcome paper' to use as a basis for engagement and advocacy with central government on local government system reform.

Recommendations

That the Council:

1. **Agrees to vote in favour of the proposed resolution at the upcoming Local Government New Zealand (LGNZ) Special General Meeting to adopt 'The Future by Local Government - A consensus outcome paper' (Attachment 7.1.1) as LGNZ's basis for engagement and advocacy with central government on local government system reform.**

Key points

2. The Future for Local Government Review (FfLG) was initiated in 2021 by the Government in response to a request from local government. It was designed to address the collective impacts of reform programmes on the function and roles 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 review panel engaged extensively with local government over its two-year duration. It undertook broad and extensive research on models and effective local governance arrangements around the world.
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, in July 2023 at LGNZ's 2023 Annual General Meeting members agreed to develop a consensus position or positions on the final FfLG report. This process has resulted in 'The Future by Local Government - a consensus outcome paper' (Attachment 7.1.1). This policy paper, if adopted, is intended to provide LGNZ with parameters for engagement with central government.

6. A LGNZ Special General Meeting will be held on 11 December 2023 for LGNZ members to vote on whether they support the paper as LGNZ's basis for engagement and advocacy with central government on local government system reform.
7. The vote will be a yes/no vote on the consensus outcome paper, with no scope for amendments.

Background

Establishment of the Future for Local Government Review

8. In April 2021 the Government announced an independent review of local government (including regional government). This was a response to:
 - (a) policy reform across water services, resource management, climate change and the health system, which centralised decision making and altered the role of local government
 - (b) broader challenges facing local government, such as funding pressures, climate change, infrastructure decay.
9. The overall purpose of the review was to identify how the 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.
10. 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 (funding).
11. The Council participated in this review through meetings with the FfLG panel, making submissions, and issuing a joint statement with Te Rūnanga o Ngāi Tahu.

Future for Local Government review final report

12. In June 2023, the FfLG panel released its final report. The report, *He piki tūranga, he piki kotuku* made 17 key recommendations including new funding and financing arrangements, changes to the Local Government Act to explicitly recognise local government as a Te Tiriti partner, different council structures, and tools to rebuild trust and confidence in local democracy.
13. The final report's recommendations were intended as a package to deliver lasting changes to the system as a whole.
14. The final report says that while there is a real need to transfer resources and lift 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.

LGNZ consensus position

15. Hon Kieran McAnulty, the then-Minister for Local Government, encouraged local and regional government to come together and lead potential changes.

16. In July 2023, members at LGNZ's Annual General Meeting 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.

Developing consensus

17. From July 2023, LGNZ ran a process to develop a consensus position. LGNZ's National Council created an Advisory Group to help guide this process. Chair Peter Scott has been a member of this Advisory Group since its inception.
18. The process included two in-person events with members to help build consensus, attended by Chair Scott. Councillor Cranwell, co-chair of Te Maruata Rōpū Whakahaere has also been involved in the process. An online engagement platform was also used to gain understanding of consensus positions. The process was supported by a range of email communications to elected members.

The Future by Local Government - a consensus outcome paper

19. Following the in-person events and online engagement, the LGNZ team and the Advisory Group have produced *The Future by Local Government consensus outcome paper* (Attachment 7.1.1). The paper reflects the conversations that members have had and the parameters that have been reached through the consensus building process.
20. The position paper proposes a vision, purpose, and five areas for central and local government to work together on. The five areas are:
 - (a) Build a new system of government that's fit for purpose
 - (b) Rebalance the country's tax take between central and local government
 - (c) Create stronger, more authentic relationships between local government and iwi, hapū and Māori
 - (d) Align central, regional and local government priorities
 - (e) Strengthen local democracy and leadership
21. The consensus outcome paper is intended to set the direction for tailored advocacy material that will be developed by LGNZ for a central government audience.

LGNZ Special General Meeting

22. On 11 December 2023 the LGNZ Special General Meeting will take a yes/no vote on the consensus outcome paper, without amendments. Chair Scott will vote on behalf of Canterbury Regional Council according to the position Council reach on this paper.
23. A 75% majority will be considered a consensus mandate for LGNZ to proceed.

Cost, compliance and communication

Financial implications

24. There are no direct financial implications for the Council if LGNZ adopt the position paper as costs associated with advocacy and engagement will be covered by LGNZ.

25. There may be beneficial financial implications if the positions in the LGNZ paper are progressed and result in subsequent changes to local and regional government funding models.

Risk assessment and legal compliance

26. If the LGNZ paper is not adopted, there is the risk the local government sector loses that opportunity to progress conversations with central government on changes required to ensure a fit-for-the-future local government system.
27. The FfLG review drew on key findings and recommendations from several earlier reviews into local government, which have not resulted in significant system or funding reform despite support for them. There is the risk that if LGNZ do not receive sufficient mandate for their position to progress FfLG recommendations, then the FfLG report joins these earlier reports and does not achieve change.

Engagement, Significance and Māori Participation

28. The LGNZ process and timeframes have not enabled specific endorsement or discussions with rūnanga chairs on the LGNZ consensus outcome paper. Iwi, including Ngāi Tahu, were supportive of the FfLG final report, and Te Tiriti recommendations from the Future by Local Government consensus outcome paper largely match those in the FfLG final report.
29. The decision to vote in favour of the Future by Local Government consensus outcome paper does not meet the significance threshold required for consultation. The FfLG review engaged extensively with local government, iwi and community over its two-year duration to understand community views, which has helped informed members positions through the consensus building process.

Consistency with council policy

30. The decision to vote in favour of LGNZ's Future by Local Government consensus outcome paper does not conflict with any Council policy.

Climate Change Impacts

31. Climate Change impacts on local government and communities have been considered in development of LGNZ's consensus outcome paper. For example, it outlines the need to provide infrastructure to support growth and deal with climate change mitigation and adaptation.

Communication

32. No communication of the Canterbury Regional Council's decision are proposed. It is expected that LGNZ will communicate the result of the Special General Meeting vote on the consensus outcomes paper.

Next steps

33. Chair Scott will attend the LGNZ Special General Meeting on 11 December 2023, and vote as directed by Council at this meeting.

Attachments

1. Future-by- Local- Government-consensus-outcome-paper [7.1.1 - 8 pages]

Legal review	N/A
Peer reviewers	Cecilia Ellis, Senior Strategy Advisor Maree McNeilly, Principal Advisor



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.

8. Next Meeting

The next meeting of the Council is scheduled to be held on Wednesday 13 December 2023 at 10.30am. Any changes to this time will be publicly advertised and updated on the Environment Canterbury website.

9. Karakia Whakamutunga - Closing

The meeting will conclude with a karakia by a member of the Council.