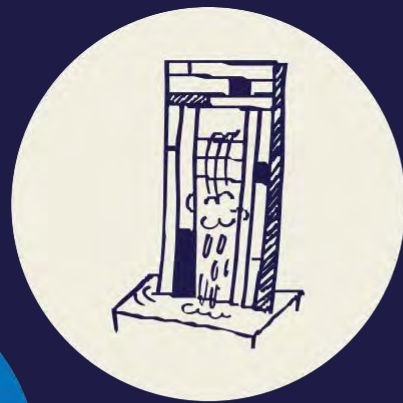


HAMILTON CITY COUNCIL SUBMISSION

The Future of Local Government Review

Panel for the Future of Local Government Review



30 June 2022



**Hamilton
City Council**
Te kaunihera o Kirikiriroa

Structure of this Submission

This submission focuses on addressing the five key shifts as outlined by the Panel for the Future of Local Government Review (the Panel) in their discussion document prepared for the conversation with Hamilton City Council on 21 March 2022.

To provide context, an introduction to Hamilton City prefaces this submission. For each key shift, the proposal stated by the Panel is disclosed and then Hamilton City Council's response to the Panel's proposal is outlined with key points that the Council would like the Panel to consider.

Council Approval and Reference

This submission was approved by Hamilton City Council at its meeting held on 29 June 2022.
Hamilton City Council Reference D-4191263 - Submission # 690.

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Key Messages and Recommendations

1. Introduction

2. We acknowledge and value the opportunity to be part of the Local Government Review process and appreciate that the Panel has adapted a process for conversations with the sector prior to the outcome of the review being published.

3. Local Government Review out of Sync/Order

4. The Local Government Review is out of sync/order with other key reforms currently underway i.e., given the complexity and extensive range of functions undertaken by local government, the Local Government Review should have taken place first and foremost before consideration of other key reforms such as the Resource Management Reform Review and the Three Waters Review.
5. Council has identified and expressed extensively its various concerns over both the Resource Management Reform Review and the Three Waters Review to central government through various key discussions/meetings as well as through numerous formal submission and subsequent hearing processes.
6. Hamilton City is unique in that it is a hub city for a larger metro area with many of our communities of interest, spatial land use planning areas and infrastructure reaching beyond our city boundaries, requiring intricately and dynamically interconnected considerations with our partner local authorities. We recommend that a review of local government should also include boundary considerations to support local authorities in addressing the challenge of communities of interest that lie outside the defined local authority boundary lines.

7. Metro Council View

8. Hamilton is a rapidly growing metro council (accounting for 35 percent of the region's total population of around 500,000) and had an economy worth \$12 billion in 2021 (generated by over 100,000 jobs), accounting for 41 percent of Waikato's \$29.5 billion GDP and providing 43 percent of the region's jobs.
9. Given this, our view will therefore be quite different from other councils in the Waikato Region.

10. Representation of the Community

11. We support the Panel's suggestion that representation systems should be enabled to complement community representatives (elected members) and include iwi/Māori and appointed experts. Hamilton City Council will be introducing a revised representation structure endorsed by the Local Government Commission in April 2022 that will ensure greater Māori representation for Hamilton.
12. Council also has a Maangi Māori model of representation at its committee level. In October 2018, Hamilton City Council approved five new Māori appointees to the committees of Council as an integral part of the Governance structure, marking the beginning of a new era for partnership-based decision-making for the city.
13. We recognise the existing legislative framework provides for other opportunities for including the community voice, community advocates and experts into the council decision-making at committee and working group level.
14. We promote that changes in practices are required to enable the community to provide their voice to the council in less formal and multi-dimensional ways, and these changes should be supported by an engagement 'toolbox' for the community and the removal of prescriptive consultation requirements in the Local Government Act.

15. A formal information campaign should be developed and run nationally by a sector body to educate people on what local government does and the role of elected members. This will assist in encouraging members of the community to stand for Council.
16. [Improving the Wellbeing of the Community](#)
17. We value our role as being close to the community and we understand and promote for our community needs to improve their wellbeing. Stronger recognition of this role in local governments legislative mandate is required.
18. We lobby for central government to support local government working in partnership with other agencies across service delivery boundaries to deliver services to the community in places that are accessible to them.
19. The Local Government Act needs to be updated to reflect the Panel's stated view of the role of local government i.e., Local voice, knowledge and leadership; connector and enabler of local decision-making; upholds values and protect rights; provides local services; partner of central government and iwi/Maaori; supports thriving people and communities.
20. We recommend the introduction of an agreed definition of 'wellbeing' to be used by all agencies.
21. Local authorities should be given the use of the Power of General Competence through the Local Government Act to provide each local authority the ability to choose the activities they undertake and how they will undertake them to fulfil their statutory duties.
22. Central government should acknowledge that local communities should have the option to determine what services they want delivered locally and how they want to access the services.
23. [Building Stronger Partnership with Central Government](#)
24. We call for changes to strengthen the recognition of place-based spatial structures by central government, particularly within our region where the partners are committed to working together through the Future Proof sub-regional partnership.
25. The representatives from central government/central government agencies who sit on place-based structures should have the authority to commit the agency they represent to funding decisions. As one of the Future Proof partners, we are working collaboratively on exploring ways in which new tools can be implemented to address funding constraints.
26. To support localism, the legislation needs to enable the creation of local community committees (as structures outside the local board structure), led by the community, to make plans and decisions for their community. Local government's role should be to empower these community committees.
27. We recommend the alignment of funding cycles of central government agencies with council Long Term Plan cycles to provide increased opportunities to deliver on the wellbeing outcomes sought for the community by both central and local government. Furthermore, action based on the recommendations of previous reviews (rather than another review being undertaken) to introduce innovative and flexible financing tools and to remove the reliance on property tax will allow local government to introduce more equitable funding.
28. We suggest a stronger focus on building the understanding of the work programmes of central and local government will enable improved outcomes and request that local government becomes a co-design partner in government policy, rather than being limited to providing feedback (primarily through the consultation/submission process) within a narrow time constraint.

29. Most central government draft policies/documents have taken a considerable time (often over a year) to develop and are quite long and complex/detailed documents - meaning the typical four-week (or sometimes less) consultation period is just not enough time to provide meaningful feedback.
30. [Expanded Funding Arrangements](#)
31. Vertical alignment of timing of funding rounds between central government agencies and local government is required e.g., the alignment of the Waka Kotahi NZ Transport Agency National Land Transport Programme with the local government Long Term Plan cycle would ensure more certainty for the community as the approved Waka Kotahi NZT Transport Agency business could be incorporated into the first three years of each long-term plan cycle.
32. A longer-term commitment (e.g., 10 years) of central government to bulk funding programmes is needed and central government agencies should also be required to have long-term investment plans for spatial areas to meet ongoing challenges.
33. Local government needs a broad range of funding tools that reduce the reliance on property tax and enables a wider area contribution approach to share the burden of the cost of services, infrastructure (including roads) and facilities to those who live outside the city but use the city as their place of work, education and play.
34. Consistency of the treatment of GST as a 'tax on a tax' is required to either remove the GST or redistributed the GST back to Council as a funding stream.
35. [Enabling Representation](#)
36. We call for greater education in the role of local government and recognition of local government as a partner to central government rather than a subservient structure and suggest that local government and central government election cycles are aligned and based on a four-year term. This would also allow centrally funded civic education programmes to encourage voting to have maximum impact.
37. Alongside this, improvements in the remuneration structure for elected members, the introduction of online voting and the introduction of participatory budgeting would promote better representation of our community at the council table.

Hamilton City

To provide context for the Panel, the following section outlines the unique features of our city.

Our City

Hamilton is the thriving heart of the Waikato Region and an integral part of the golden triangle between Auckland and Tauranga. This larger metro area (metro spatial sub-region) is experiencing rapid population and development growth. The sub-region had a population of around 324,000 people at 2021, and may grow to a population of around 450,000 to 500,000 by 2051 – a possible increase of around 100,000 to 150,000 people in the 30-year period.

Hamilton City, with a population of almost 180,000, is New Zealand's fourth largest city and has a growth rate over the last three years higher than Auckland, Christchurch and Wellington. Hamilton's population increased by 20.5 percent between 2012 (148,100) and 2021 (178,500).

Hamilton has a relatively small land area of 11,093 hectares (compared to the likes of Auckland at 108,000 hectares and Christchurch at 143,000 hectares), yet it has to service a very large metro area i.e., the Hamilton, Waipā and Waikato sub-region. This is evidence that 46% of the vehicle kilometers travelled each day are people travelling into and out of Hamilton for work and education, creating challenges for the city's transport networks.

The city has also significantly intensified its housing over the past 10 years i.e., in 2012 the infill/greenfield percentage split was 67/33 - whereas in 2021 it was 48/52. A record 1,497 new homes were completed in 2021 - up 6 percent on 2020. However, home ownership rates have been declining in Hamilton, with 43 percent of people owning their own home in 2016, compared to 55 percent in 2001. Maaori and Pacific peoples have lower household ownership relative to the general population. Hamilton is the third (after Auckland and Tauranga) least affordable housing market in New Zealand, with a median house price to median household income of 6.8 times.

Hamilton has a diverse economy, which helped it weather the COVID-19 pandemic better than New Zealand's other major cities. Highlights for Hamilton in 2021 (as outlined in the **2021 Hamilton Annual Economic Report** - May 2022 - refer [here](#)) include:

- Hamilton contributed 41 percent of the Waikato's \$30 billion Gross Domestic Product (GDP) and 43 percent of its jobs in 2021.
- Hamilton's GDP was \$12 billion in 2021, increasing by 4.3 percent since 2019 despite the pandemic, and for the first time supports over 100,000 jobs.
- The city's unemployment has declined to 4.8 percent since 2020.
- Hamilton ranked 1st in New Zealand and 21st in the world for its successful integration of digital technology, knowledge and assets to improve city services.

Our Challenges

The city will need to respond and adapt to the climate change and transition to a low-carbon economy. As a metro city, the largest emissions are from transport (64% of the city's greenhouse gas emissions). Addressing this will be a priority in our climate change response. This will mean changing how people move around our city to get to work or school every day; and at a city scale, it will mean a transformation of our transport system. As a portion of these transport emissions are from others travelling to, from, and through our city, we will need to collaborate with our regional partners to reduce greenhouse gas emissions.

The awa (Waikato River) that flows through the heart of the city is a significant taonga. Through the Vision and Strategy for the Waikato River, the Waikato River Authority has identified key issues for the River, including its degradation, which has compromised iwi in their ability to exercise mana whakahaere or conduct their tikanga and kawa, the impact of human activities along the river and the alteration of natural processes over time (refer waikatoriver.org.nz). The city needs to provide for growth in a way that protects and enhances the valued water bodies and restores and enhances ecological assets.

The city, through integrated land use and infrastructure planning, must plan to grow in a way that supports liveable neighbourhoods and high-quality urban environments, whilst delivering on the required increased density. As a city we aspire to be 20-minute city of compact, connected, and healthy neighbourhoods. This means that people can "live locally" by meeting most of their daily needs by walking or cycling from their home in pleasant surroundings, with safe, easy access to public transport for the CBD and wider city. While this aligns with the idea of a low-emissions transport network, it is also about ensuring that our neighbourhoods have most things that residents need every day, such as local shops and businesses (e.g., small supermarket, butcher, grocer, bakery, café, shared workspaces), playgrounds, open green spaces, early childhood facilities, primary schools, and health services such as doctors, dentists, and chemists. Other parts of the city such as aquatic centres (e.g., Waterworld) and major shopping centres (e.g., The Base) will then also be easy to access from all neighbourhoods by bike, micro-mobility and public transport.

Like other growth cities, Hamilton City is facing increasing pressure to provide new and enhanced infrastructure and services within the existing constraints of the sustainability of government funding and people's ability to pay. As one of the Future Proof partners, we are working collaboratively on exploring ways in which new tools can be implemented to address funding constraints.

Our Council

Hamilton City Council is focused in improving the wellbeing of Hamiltonians. To provide direction for this, **Our Vision for Hamilton Kirikiriroa** (October 2020) was created. The full Vision document can be accessed [here](#) and the introduction below sets the direction of the Vision document.

***Hamilton Kirikiriroa is a fantastic city, with the potential to be one of the very best places in the world to live in and to thrive in.** We're already New Zealand's fourth largest city with 170,000 people calling Hamilton home. In the space of just three generations, our population has grown more than eight times over. And we're also incredibly diverse. The people of Hamilton represent more than 160 ethnic groups, making us rich in wonderful cultural opportunities.*

Importantly, we're young. In Hamilton, our median age is just 32, making us the 'youngest' of all New Zealand cities. Already, Hamilton has everything it needs to be one of the best places in New Zealand and the world to live, work and raise families. In our city, we now have a much stronger focus on environmental issues, inter-generational equity and housing affordability – things we know are important to people who live here.

And while your Council is very focused on looking after the city assets we already have, we want to prepare and plan well for those things which will further improve the wellbeing of Hamiltonians.

This booklet sets out five, long-term priorities for Hamilton over the next decade. These priorities reflect what you have said is important to you, your family and your neighbourhood. They also reflect the views of your Councillors, who have listened closely to what you have said and understand your aspirations for our city.

This is our city. It belongs to all of us and together all of us will determine its future. Ensuring our city develops to its full potential is something we can and should do, as a community. This is about shaping our city, together.

Hamilton City Council is focused on improving the wellbeing of Hamiltonians through delivering to our five priorities of shaping:

- **A city that's easy to live in**
- **A city where our people thrive**
- **A central city where our people love to be**
- **A fun city with lots to do**
- **A green city**

As a city we'll work alongside our iwi partners and work closely with local agencies, government, and private partners to make sure our city and wider region thrive.

To deliver on this Vision, the Hamilton City Council 2021-2031 Long Term Plan provides for an operational spend of \$3.7 billion over the next 10 years to keep the city running and a \$3.2 billion capital programme over the next 10 years. The Council employs around 1,200 staff across 30 business units and 20 different sites.

The Future of Local Government Review Background

38. In April 2021 the Minister of Local Government commissioned a review of local government with an overall purpose *"To consider how New Zealand's system of local democracy and governance will need to evolve over the next 30 years in order to improve the wellbeing of New Zealanders, and actively embody the Treaty partnership"*.
39. The independent Panel (the Panel for the Future of Local Government Review) was selected through the Cabinet appointment process to undertake the programme for the review through three stages:

Stage 1: Early Sounding (Complete)

This first stage is completed and was an initial scoping and early engagement with local government and other organisations to identify key issues and lines of inquiry. The output of this stage is the Interim Report, **Ārewa ake te Kaupapa Raising the Platform**, which was released publicly on 8 October 2021 and can be found [here](#). This report sets out the broad direction and priority questions to be considered in the review in order to support engagement about the future of local governance and democracy.

Stage 2: Broader Engagement (2021-2022)

This stage involves a broader public engagement about the future of local governance and democracy in New Zealand, alongside research and policy development. The Panel will report draft findings and recommendations to the Minister for Local Government in September 2022.

Stage 3: Formal Consultation and Final Report (2022-2023)

This stage will involve formal consultation and consideration of public submissions on the recommendations, with the delivery of the final report to the Minister for Local Government in April 2023.

40. In the Interim Report the Panel raised five priority questions:
- How can the system of governance be reshaped?
 - What is the function and roles of local government?
 - How to build partnerships that deliver to Te Tiriti O Waitangi?
 - How to reflect communities in local government?
 - What are ways to ensure funding for viable, sustainable, equity wellbeing?
41. The Interim Report also proposed a redesigned system of local governance with the following key features:
- It will be built on open and respectful relationships.
 - It will be aligned – the organisations involved in creating local wellbeing will have shared missions and will operate in an environment that supports collaboration.
 - It will be effective and sustainable – the organisations involved will have sufficient funding, capability, and support to carry out their missions.
 - Functions and roles will be allocated at the right scale, reflecting inherent strengths and capabilities, taking account of the subsidiarity principle, and acknowledging that ‘one size does not fit all’.
 - It will be flexible and agile, capable of scaling up or down and transferring functions as new challenges emerge.
 - It will build on Te Ao Māori and mātauranga Māori and embody genuine Treaty partnership based on shared wellbeing for future generations.
 - It will be inclusive – providing for diverse voices to be heard, and all with interests in local wellbeing to participate in decision-making.
 - It will be fair – taking account of all needs and interests, delivering benefits for whole communities, and protecting the interests of future generations.
 - It will be transparent and accountable – decision-makers will be answerable to their communities.

42. Post the release of the Interim Report, and following initial interviews with the sector, the Panel subsequently proposed in the information pack they provided for the discussion sessions with councils a new set of discussion points. These are described by the Panel as five key shifts that are required to address the priority questions raised in the Interim Report. The five key shifts are:
- Strengthen local democracy.
 - Stronger focus on wellbeing.
 - Authentic Relationship with Hapū/Iwi/Māori.
 - Genuine Partnership between Central Government and Local Government.
 - More Equitable Funding.
43. The Panel met with Hamilton City Council on 21 March 2022 between 2.00pm and 4.00pm. The Chairs of each committee of Council provided a briefing introduction and then Council addressed the five key shifts proposed by the Panel.
44. Hamilton City Council has also been working with the Zone 2 group of councils and have commissioned the following - Hamilton City Council/Zone 2:
- MDL - Peter McKinlay – Strengthening Communities – a report that highlights the opportunity for and the importance of councils acting to strengthen their communities and help them build their capacity and capability to work through what are their priorities and how they best met. (See Appendix A)
 - Co-Lab initiative (WLASS) - Shifting Landscapes - Community Needs analysis – a report containing evidenced-based qualitative data to inform council submissions to the Future for Local Government Review. (See Appendix B)

Key Shift: Strengthen Local Democracy

45. The first key shift proposed by the Panel is the strengthening of local democracy from low public trust and participation in local government to the renewal of local democracy that builds a foundation for the future of a strengthened and inclusive local democracy.
46. To achieve this, the Panel is considering these changes:
- Offer a mix of participatory, deliberative and representative democratic tools, and support multi-generational representation.
 - Enable hybrid systems to complement elected members, including iwi/Māori and appointed experts.
 - Develop systems that support and sustain governance representatives. Enable representation from minority groups e.g., create and resource clear pathways, provide ongoing support programmes and mentor new leaders.
 - Explore electoral administrative systems, longer terms and voter eligibility criteria (e.g., younger voters).

Hamilton City Council Requests that the Panel Considers the Following Points:

47. REPRESENTATION OF THE COMMUNITY

- The elected members of Hamilton City Council are the representation of the community established through representative election. Council supports this model for community representation.

- Council will be implementing Maaori seats to provide representation of Maaori. Council's proposed representation structure was endorsed by the Local Government Commission in April 2022. The Council table will be made up of twelve General Ward Councillors (six in the East Ward, and six in the West), two citywide Kirikiriroa Maaori Ward Councillors, and the Mayor. Further information on this can be found [here](#).
- Council also has a Maangi Maaori model of representation at its committee level. On 9 October 2018, Hamilton City Council approved five new Maaori appointees to the committees of Council as an integral part of the Governance structure, marking the beginning of a new era for partnership-based decision-making for the city. The appointees represent iwi (Waikato-Tainui) and maataa waka (other Maaori and Pacific people living in Hamilton).
- The new appointees have the title of **Maangai Maaori**, which means 'The voice of Maaori'. They were chosen from over 40 applicants by a selection panel comprising representatives of Waikato-Tainui, Te Runanga o Kirikiriroa and Te Haa o te Whenua o Kirikiriroa. **Note:** The Maangai Maaori representation model will be revisited as part of the review of Hamilton City Council's committee structure following the October 2022 local authority elections.
- Hamilton City Council notes that within the existing framework there are opportunities to appoint advisors to committees. Council currently does this with the external experts appointed to the Strategic Risk and Assurance Committee - refer [here](#). The current approach can be used to appoint other experts or advocates of communities' interests to committees and working groups.
- However, Council advocates for changes in practice and legislation to make it easier to create community committees or specific topic focused committee structures, and to encourage the community to participate in these, provide for options for payment for external parties on committees.

48. **ENABLING REPRESENTATION**

- Council requests that a formal information campaign be developed and run nationally by a sector body to educate people on what local government does and the role of elected members. This will assist in encouraging members of the community to stand for Council.
- Council recommends that to assist with the attraction of candidates for local government elected member positions, elected members are paid a salary based on qualifications, skills and experience. Currently elected members are treated as contractors and the payment of a salary would also allow elected members to qualify for Kiwi Saver and other benefits that are available to Council staff. To support this the funding provided through the Remuneration Authority should be based on the cost (salary) of elected members rather than being an allocated pool that is split across elected members.

49. **SIZE AND SHAPE OF THE CITY**

- Council recognises that the scope of this review does not include boundary changes but the conversation about improving local democracy is integral with the conversation of who the local government represents.
- Hamilton City is unique in that it is a hub city for a larger metro area with many of our communities of interest, spatial land use planning areas and infrastructure reaching beyond our city boundaries, requiring intricately and dynamically interconnected considerations with our partner local authorities.
- Council recommends that a further or correlating review into boundary considerations is vital to give effect to improving Local Democracy.

50. SPATIAL REPRESENTATION

- Council recommends that place-based structures such as the Future Proof sub-regional partnership that cross boundaries be endorsed and recognised by central government agencies. Entities such as this should have the ability to apply for and receive funding from central government agencies for specific initiatives and programmes as outlined in their strategic plan.
- To improve the connection between central government and local government, and strengthen the impact of place-based structures, the representatives from central government/central government agencies who sit on place-based structures should have the authority to commit the agency they represent to funding decisions.
- Council recommends that to support localism, the legislation needs to enable the creation of local community committees (as structures outside the local board structure), led by the community, to make plans and decisions for their community. Local government's role should be to empower these community committees.

A place-based community is defined as a geographical area. The area is derived by the connection between the places and the benefits the communities get from being aligned together. Place-based community structures can cross territorial boundaries. An example is **Future Proof** (refer [here](#)), which is providing planning and direction for the Hamilton-Waikato Metro-Spatial area.

Localism is defined as arrangements where citizens are involved in making decisions about their own areas and localities. It is about giving voice, choice and control to communities, enabling local solutions through partnership and collaboration around place, and providing the conditions for social action to thrive.

51. COMMUNITY VOICE

- To allow local communities and local authorities to determine how they want to share their voice and engage, Council recommends removing all consultation constraints and requirements from the Local Government Act, such as the directive approaches for engagement such as the Special Consultative Process.
- Councils should be encouraged to adopt alternative ways for the elected members to hear the community's voice by discouraging the formal 'presentation' to council approach and encouraging the use of a range of innovative ways. Councils should also promote participatory democracy by encouraging community committees and networks to represent their community views and lead local community consultation/engagement processes (for example use the strong online forums of community Facebook pages etc.).
- To enable the community, a sector agency should be charged with creating a 'toolbox' for the community on how to engage with local government (and central government) alongside a national education programme to allow everyone to have the opportunity to share their voice to their representatives.
- Council considers that local government (and central government agencies) should be required to adopt participatory budgeting to enable the community's preference for budget allocation to be captured and to directly influence the local government (and central government agencies) budgets.

52. ELECTION CYCLE AND STRUCTURE

- Council recommends the local government elections occur at the same time as the central government elections so that the community votes on all levels of government at the same time to give the same weight to all layers of government. This would allow centrally funded civic education programmes to encourage voting to have maximum impact.
- Council recommends the government cycle is moved to a four-year term. For local government this will create a cycle of the Year 1 November-June planning for the next four years outlined in an 8- or 12-year vision and 4-, 8- and 12-year plan cycle and budget, resulting in a one year for planning and three years for delivery to the vision, priorities and plans.
- Council recommends the online voting is introduced immediately to make it easier for people vote, especially those in the under 25 age groups.

Key Shift: Stronger Focus on Wellbeing

- 53.** The second key shift proposed by the Panel is a move from the traditional focus on infrastructure service delivery to a focus on the complex wellbeing challenges of the 21st century, including economic and social equity and climate change action.
- 54.** To achieve this, the Panel is considering these changes:
- Local government is a broker, bridge builder, connector and supporter of ideas to support positive change in the community it serves, with a genuine focus on a coordinated approach to building social cohesion and wellbeing.
 - Increasing central and local government collaborative efforts to focus on wellbeing, including health, housing, education, community safety, and economic, social, cultural and environmental wellbeing.
 - Local government functions, roles and structures that reflect the appropriate level of subsidiarity and localism, while securing needed resources and economies of scale to ensure competent, sustainable and resilient entities/organisations.
 - Supporting residents to change from being mostly passive recipients of services to active citizens as innovators, participators, and partners in achieving community wellbeing outcomes.

Hamilton City Council Requests that the Panel Considers the Following Points:

55. WORKING TOGETHER TOWARDS WELLBEING

- In the information pack for the meeting with the Panel, the Panel outlines the important roles of local government as being:
 - Local voice, knowledge and leadership.
 - Connector and enabler of local decision-making.
 - Upholds values and protect rights.
 - Provides local services.
 - Partner of central government and iwi/Māori.
 - Supports thriving people and communities.
- Council recommends that the Local Government Act be updated to reflect the above as the role of local government.

- Furthermore, as central government, central government agencies and local government are all working towards improving wellbeing, Council recommends the introduction of an agreed definition of ‘wellbeing’ to be used by all agencies.
- Council recommends each local government, central government agency and other organisations are required to define how their role and function delivers to improving wellbeing via the production of a vision and priority document (such as Hamilton City Council’s Vision and Five Priorities) – refer [here](#).
- Council recommends that central government agencies that also focus on wellbeing, such as Ministry of Health, Ministry for the Environment, Kāinga Ora – Homes and Communities, Education New Zealand and others, direct their regional offices to interact with local government to work together to improve the provision of wellbeing services across communities.

56. DELIVERY OF WELLBEING SERVICES

- Council requests that local government’s role be recognised as the ‘gateway’ for identifying, understanding and promoting the community needs that will improve their wellbeing. As local government is closest to the community, they should have a focus of being the connecting point/broker to support networks of community groups, partnerships arrangements and agencies in framing service delivery options and supporting those delivering the services to access funding. Local authorities should be given the use of the Power of General Competence through the Local Government Act to provide each local authority the ability to choose the activities they undertake and how they will undertake them to fulfil their statutory duties.

The ‘gateway’ role means local government “*will be putting themselves forward as the primary authorities on the needs and preferences of their different and diverse communities across the full spectrum of matters capable of being addressed by public sector support or intervention*”. (Panel Future of Local Government).

- Council suggests that central government acknowledge that local communities should have the option to determine what services they want delivered locally and how they want to access the services. This would require a change in the approach of central government to recognise that wellbeing is intertwined and agencies that deliver across wellbeing (rather than separate agencies) will provide better outcomes, resulting in services being delivered by multi-service agencies based in communities and operating across boundaries.
- Council recommends that central government works with local government to provide access (and funding) for new, and re-purpose of existing spaces that follow a community hub type arrangement, providing safe places for the community to bring issues, ideas and solutions to. Examples would be to fund and expand use of community centres, and to use other spaces like schools after hours for facilities, spaces and provision of services (example of the Peak).

Key Shift: Authentic Relationship with Hapū/Iwi/Māori

57. The third key shift proposed by the Panel is a change from relationships that are variable in understanding and commitment to an authentic relationship that enables self-determination, shared authority and prosperity.
58. To achieve this, the Panel is considering these changes:
- Local government has a role in helping the stories of the past to be told in order to move forward. Acknowledging the past is an important part of reconciliation, along with learning about the history of place.

- Championing, and investing in, Te Ao Māori and Tikanga in the way local government operates and what is valued.
- Acknowledging place and the opportunity for Hapū/iwi/Māori to be involved in decision-making, to be a decision-maker and deliverer of services and activities (exercising Tino Rangatiratanga).
- Additional capacity for iwi/Māori to participate in local governance.

Hamilton City Council Requests that the Panel Considers the Following Points:

59. RECOGNITION

- Council requires central government regard to and recognition of foundation documents and joint agreements such as Te Ture Whaimana o Te Awa o Waikato – Vision and Strategy for the Waikato River (refer [here](#)) - noting that Te Ture Whaimana o Te Awa o Waikato has now been included in **the Resource Management (Enabling Housing Supply and Other Matters) Amendment Act 2021**.

60. PARTNERSHIPS

- Council and central government must recognise that iwi boundaries are not aligned to boundaries created by regional or local authorities. To empower hapū/iwi/Māori, acknowledgement of the challenge created when local authorities or central government agencies request hapū/iwi/Māori to work within and across their boundary areas. Partnerships need to be defined at the local level as each area has a different set of relationship and identities to work with.

61. CAPACITY BUILDING

- Council requests support for hapuu and iwi to enable capacity building to facilitate engagement and participation in decision-making, particular where there are multiple organisations seeking feedback on a similar issue.
- Council recommends a national education standard for Te Ao Māori and tikanga is developed and made available to local government, central government agencies and other organisations.

Key Shift: Genuine Partnership between Central Government and Local Government

62. The fourth key shift proposed by the Panel is a move by both local and central government from low trust and confidence in each other to genuine partners able to deliver wellbeing outcomes locally.
63. To achieve this, the Panel is considering these changes:
- Long-term vision and outcomes for Aotearoa New Zealand enabling partnership between central and local government.
 - A governance model that operates as a strong strategic partner with central government.
 - Deliberate structure for partnerships between central and local government, iwi, business and communities.
 - Transparent funding and accountability for service delivery and local priorities.

Hamilton City Council Requests that the Panel Considers the Following Points:

64. RECOGNITION OF THE ROLE OF LOCAL GOVERNMENT IN DECISION-MAKING

- Council requests there are more formal processes for the communication from central government on its policy work programme to local government so local government can align and resource for response to initiatives/legislation.
- Council requests that central government provides opportunities for the co-design of policy alongside central government (rather than the current process of submission input), especially if local government is the agency required to deliver central policy to the local community. An example of the current flawed approach is the Local Alcohol Policy failure that has cost local authorities significant funds in developing policies and being challenged in the courts on these policies.
- Many councils take an active role in central government consultation/engagement opportunities, including through the likes of submissions to various government discussion papers and Government Bills. For example, Hamilton City Council has made 38 submissions to date in the 2021/22 financial year. However, while councils are appreciative of such opportunities, the number of Government discussion papers and Bills being consulted on is increasing significantly (particularly in the past year), making it extremely challenging (from a resource point of view - Elected Members and staff) to respond to and provide feedback on in a meaningful way. Council recommends that greater coordination between Government departments needs to occur to ensure councils can be meaningfully engaged to provide well thought through and constructive feedback.
- In addition, greater time needs to be given to councils to provide feedback. In most instances around four weeks seems to be the 'norm' to make a submission. Given that many of these papers have taken a considerable time (often over a year) to develop and are often quite long and complex/detailed documents, four weeks is just not enough time to provide meaningful feedback.

65. ENABLING SUPPORT

- Council requests that formal interaction and feedback between central government elected representatives and local government elected representations are required. This could be achieved by local MPs presenting at Council meetings on the upcoming issues and work programmes of government, and local government formally giving feedback to MPs on the issues and work programmes of local government to take back to Cabinet.
- Council recommends the establishment of the formal recognition by central government of sector bodies advocacy and direction such as the LGNZ remit process, with formal reporting on the consideration/implementation of remits.
- Council recognises the benefit of closer liaison between central and local governments and would consider the establishment of a central government policy office for central government officials in Hamilton to allow direct access to central government agencies to lobby on Hamilton and Metro area issues. Council would also consider making greater use of sector agencies (e.g., LGNZ and Taituarā - Local Government Professionals Aotearoa) to proactively lobby central government on local area issues.

Key Shift: More Equitable Funding

66. The fifth key shift proposed by the Panel is a sector move from beneficiary-based funding principles to a funding system that equitably supports communities to thrive.

67. To achieve this, the Panel is considering these changes:

- Central and local government agree a fair basis for funding community outcomes, taking account of a communities' ability to pay.
- Legislation and funding policies and practices support principles of equity/wellbeing.
- Making flexible general and special purpose financing tools available.

Hamilton City Council Requests that the Panel Considers the Following Points:

68. ALIGNMENT

- Council recommends there is vertical alignment of timing of funding rounds between central government agencies and local government. For example, the alignment of the Waka Kotahi NZ Transport Agency National Land Transport Programme with the local government Long Term Plan cycle would ensure more certainty for the community as the approved Waka Kotahi NZT Transport Agency business could be incorporated into the first three years of each long-term plan cycle.
- Council recommends a longer-term commitment (e.g., 10 years) of central government to bulk funding programmes and require central government agencies to have long-term investment plans for spatial areas to meet the challenges (e.g., a growth city increasing demand for new infrastructure to support growth; rural areas challenge of renewal of infrastructure with decreasing population).
- Council recommends central government should have the flexibility to align their funding with local areas spatial planning structures (e.g., funding for Future Proof) and enable long-term funding commitments through the use innovative funding arrangements such as a 'city deal' type arrangement.

69. FUNDING POOLS

- Council suggests the wellbeing funding pools are created by using a share of budget allocations from government agencies to support wellbeing outcomes instead of the funds being distributed across a range of different central government agencies, which then requires co-ordination across agencies to achieve the wellbeing outcomes. For example, delivery of a park next to a school with sports fields; accessible play spaces and cycleways is funded by a central fund rather than from the local community through rates; Waka Kotahi NZ Transport Agency funding for cycle paths, Ministry of Education funding for park land etc.

70. REVENUE MECHANISMS

- Council needs Central Government to understand and address the issues with the of the existing funding tools available to local government:
 - **Over-reliance on property tax as main revenue stream.** Hamilton City Council's property rates are based on the capital value of property and are forecast to be \$240 million for 2022/23, providing 80 percent of the operating revenue.
 - **Model of funding that doesn't work for a city that is a hub of a region.** Hamilton City services a large area and population that reside outside the city boundaries. Recent vehicle trip data indicates 140,000 daily vehicle movements of vehicles entering and exiting Hamilton City's boundaries with these "visitors" predominantly working and seeking education within the city borders. Yet this group makes no financial contribution to the services, infrastructure (including roads) and facilities of the city. The cost of this is instead born by the property owners (ratepayers) of Hamilton City.

- **Taxation of a tax.** GST is currently charged on property rates and passed to the government as a GST revenue stream. This is inconsistent government policy as most other taxes are not subject to GST. In 2022/23, the forecast GST on rates is \$36 million, an increase in the rate cost to our ratepayers that should be removed or redistributed back to Council as a funding stream.
- Council recommends that legislation is enacted to enable mechanisms to fund infrastructure for future generations outside the local governments balance sheet/rates revenue. This would enable local government (and agencies) to source funding from the community without restrictions through:
 - Flexible rating tools.
 - Ability to raise levies or charges to property.
 - Ability to set fees and charges for services.
 - Ability to require a share of taxes raised from a community (GST) be provided back to local government for funding services and infrastructure for that community.
- Council notes that a lot of thought has gone into this area previously with the **New Zealand Productivity Commission's Local Government Funding and Financing Inquiry**. In July 2018, the Government commissioned the New Zealand Productivity Commission's **Inquiry into Local Government Funding and Financing**. Through the Terms of Reference for the Inquiry, the Commission was asked to examine the adequacy and efficiency of the existing local government funding and financing framework, with specific reference to:
 - Factors driving local authority costs.
 - The ability of current funding and financing models to deliver on community expectations and local authority obligations and options for new local authority funding and financing tools.
 - Whether changes are needed to the regulatory arrangements overseeing local authority funding and financing.
- The Productivity Commission subsequently released its 6 November 2018 Issues Paper on **Local Government Funding and Financing** for feedback. On 15 March 2019, Hamilton City Council made a comprehensive submission to the Commission's 6 November 2018 Issues Paper on **Local Government Funding and Financing** - refer [here](#)
- The eight themes outlined in Council's 15 March 2019 submission were:
 - Support Interest-Free Government Loan Arrangements for Core Infrastructure.
 - Supportive of New Off-Balance Sheet Financing Tools.
 - Efficiency Gains - Support Alignment of Local Government and Government Spending/Programmes.
 - Open-Minded on Aggregation for Delivery of 3 Waters and Other Core Services.
 - Development of National Guidelines that Support Implementation of a Community Facilities Funding Framework.
 - Support Standardisation and Increased Efficiencies of Systems in Local Government Facilities and Services.
 - Supportive of Regional Fuel Tax; Variable Road Pricing/Tolling; Increase in the Funding Assistance Rate (FAR) for Public Transport; New Targeted Enhanced Funding Assistance Rate (TEFAR).

- Supportive of Economic Benefit Revenue Linked to Growth and Development in a Council's Administrative Area.
- Council's next submission was made on 13 September 2019 to the Productivity Commission's **Draft Report on Local Government Funding and Financing** (refer [here](#)), which reinforced and built on the eight key themes outlined in its 15 March 2019 submission. The 13 September 2019 submission also commented on and provided recommendations on: Rates affordability; the cost-benefit analysis of new Government policies and standards; Asset Management Plans; development contributions; climate change.
- **The main resultant findings of the Commission's Funding and Financing Inquiry, as outlined in its final November 2019 report, were:**
 - **Radical reform is not required.** The current rates-based system remains appropriate for New Zealand. International experience offers no clearly superior alternative.
 - **But there are areas of significant funding pressure.** These pressures are highly uneven across councils with small, rural councils serving low-income communities under particular pressure.
 - **Targeted solutions are needed to tackle these pressures.** Key recommendations include new tools to help councils fund and manage growth, and additional support from central government to help councils adapt to major pressures, such as climate change.
 - **Councils need to lift their performance to help manage funding pressures.** This includes making better use of all existing funding tools. Transparency is key, and a number of recommendations are aimed at improving the transparency of local government funding decisions and performance.
 - **A better relationship between central and local government is essential.** An agreed protocol would help end the practice of central government imposing responsibilities on local government, without appropriate funding. The Crown should also be paying for council services it receives on its properties and developments.
 - **Regional spatial planning will better prepare councils for the future.** It's a key tool for achieving more efficient use of resources, and better coordination between councils, and local and central government.
- Local Government New Zealand (LGNZ) released a working paper (refer [here](#)) on revenue options in 2015 prepared by a multi-sector working group. The report noted the difficulties created by the reliance on property taxes. The report also highlighted key four themes of local government:
 - An effective partnership is needed with central government so both spheres of government are aligned.
 - Local government regions are unique and across New Zealand there are diverse economic and demographic projections.
 - Local government needs to be prepared and have the capacity to take an innovative approach to service delivery.
 - Local governments are already making full use of their existing funding tools, but too heavily reliance on rates is creating affordability and intergenerational issues.
- Council notes that these recommendations have informed the other local government reforms currently underway, but the key challenge of providing 'targeted solutions' has not been addressed.

- Furthermore, in this review on the Future of Local Government, the Panel has noted a key shift required is 'Making flexible general and special purpose financing tools available.' This needs to be addressed to provide the tools for more equitable funding.

Alignment with Other Key Reforms

71. RESOURCE MANAGEMENT REFORM REVIEW

72. Hamilton City Council takes a considerable interest in matters regarding Resource Management Reform and has made numerous submissions in this space in recent years - for example:

- Hamilton City Council's 10 March 2022 submission to the working paper **Enabling Local Voice and Accountability in the Future Resource Management System: a Proposal for Consideration** - refer [here](#)
- November 2021 discussion document **Transforming Aotearoa New Zealand's Resource Management System - Our Future Resource Management System - Materials for Discussion** - refer [here](#)
- Hamilton City Council's 24 February 2022 submission to the November 2021 discussion document **Transforming Aotearoa New Zealand's Resource Management System - Our Future Resource Management System - Materials for Discussion** - refer [here](#)
- Hamilton City Council's 16 November 2021 submission to the **Resource Management (Enabling Housing Supply and Other Matters) Amendment Bill** - refer [here](#)
- Hamilton City Council's 4 August 2021 submission to the **Inquiry on the Parliamentary Paper on the Exposure Draft - Natural and Built Environments Bill** - refer [here](#)
- Hamilton City Council's 3 August 2021 submission to the **Government Policy Statement on Housing and Urban Development (GPS-HUD)** - June 2021 Discussion Document - refer [here](#) and [here](#)
- Hamilton City Council's 2 July 2021 submission to the New Zealand Infrastructure Commission's May 2021 Discussion Document **Infrastructure for a Better Future Aotearoa New Zealand Infrastructure Strategy** - refer [here](#)
- Hamilton City Council 21 May 2021 staff feedback to the Ministry for the Environment's **Early Engagement on Resource Management Reform - Opportunities to Improve System Efficiency** - refer [here](#)
- Hamilton City Council's 13 February 2020 submission to the **Urban Development Bill** - refer [here](#)
- Hamilton City Council's 13 September 2019 submission to the June 2021 Discussion Document **Proposed National Policy Statement for Urban Development (NPS-UD)** - refer [here](#)

73. All submissions made by Hamilton City Council can be accessed [here](#)

74. In February 2021, the Government announced it would repeal the Resource Management Act (RMA) and enact new legislation based on the recommendations of the Resource Management Review Panel.

75. The three proposed Acts are:

- **Natural and Built Environments Act (NBA)**, as the main replacement for the RMA, to protect and restore the environment while better enabling development.
- **Strategic Planning Act (SPA)**, requiring the development of long-term regional spatial strategies to help coordinate and integrate decisions made under relevant legislation; and
- **Climate Adaptation Act (CAA)**, to address complex issues associated with managed retreat.

76. The following key points (reproduced from the two most recent submissions on Resource management reform) outlines Hamilton City Council's overall position regarding Resource Management reform.
77. Key Points from Council's 10 March 2022 Submission to the Working Paper 'Enabling Local Voice and Accountability in the Future Resource Management System: A Proposal for Consideration'
- Hamilton City Council has previously identified significant concerns with elements of the current reform of the Resource Management system and has communicated these to central government through recent submissions on the exposure draft of the Natural and Built Environment Act, and the Ministry for the Environment Discussion Document on the Future of the Resource Management system.
 - Reform objectives for the future of the resource management system include improving system efficiency and effectiveness and reducing complexity, while also retaining local democratic input. Proposals setting out the shape of the reform have to date provided limited specificity on how local democratic input can be protected and retained through a region-wide approach to planning.
 - While Hamilton City Council agrees with the Resource Management Reform objectives, particularly those seeking to simplify and standardise processes, provide a more effective national direction, and reduce regulatory complexity, it has serious doubts that the proposed reforms will deliver on the intended objectives and questions whether wholesale change is the most effective way to achieve the objectives.
 - Notwithstanding this wholesale feedback provided to central government, Hamilton City Council recognises that a number of 'in principle' decisions have been made regarding the move to a regional approach to planning, and therefore supports the intent of LGNZ in identifying mechanisms that will ensure the preservation of local voice.
 - Hamilton City Council supports a range of avenues to enable local voice to be heard and for these voices to then be translated into higher order plans and strategies within the new Resource Management Reform structures. Statements of community outcomes are one tool to achieve this among many. Current structures enable a range of formal and informal tools and channels for this community voice to be heard, and the new Resource Management structures need to ensure these opportunities continue to be available.
 - Hamilton City Council supports National Spatial Strategies. We believe these offer a valuable tool to align central government agencies and funding priorities with regional and local level agendas and aspirations. Too often central government agency goals are divergent with one-another, arriving at a whole-of-government position on regional planning and investment would be beneficial. From a process point of view, these need to come ahead of lower-level plans and strategies.
 - Hamilton City Council believes the joint committee concept has a number of flaws. We believe the decision-making in this forum will be too far removed from local communities and will lack democratic accountability. We understand though that this part of the new Resource Management Reform design is already settled, in which case we ask that careful thought is given to avoid the inefficiencies and that these joint committees retain a high-level of local democratic decision-making.
 - Effective implementation of these new Resource Management Reform structures requires a range of levers working together in an integrated fashion. These include funding and financing tools, political champions who are accountable and who will drive implementation, legislative linkages, and an engaged community which can see their aspirations reflected in the plans.

78. Key Points from Council's 24 February 2022 Submission to the November 2021 Discussion Document 'Transforming Aotearoa New Zealand's Resource Management System - Our Future Resource Management System - Materials for Discussion'

- While Hamilton City Council agrees with the Resource Management reform objectives, particularly those seeking to simplify and standardise processes, provide a more effective national direction, and reduce regulatory complexity, we have serious doubts that the proposed reforms will deliver on the objectives and questions whether wholesale change is the most effective way to achieve the objectives.
- For example, we are of the view that the recently enacted Resource Management (Enabling Housing Supply and other Matters) Amendment Act 2021 should be given time to bed in, before wholesale legislative reform is introduced.
- These 2021 amendments to the RMA are very substantial and require an immediate implementation response from local government. The sector should be given the opportunity to respond to the changes, and time should be spent reviewing and assessing the community response to the changes.
- As noted previously, the proposed Resource Management Reforms will introduce three new Acts, replacing one single Act. The efficiencies and reduced complexity are not immediately apparent. In fact, the layers of regulatory planning appear more complex than the current regime.
- Resource Management reform must be considered holistically. Specifically, by ensuring that organisational structures and entities, such as the joint committees envisaged under the reforms, enable planning in a democratically accountable manner. In particular, siloed entities where land use planning, infrastructure planning and delivery, and service provision are carried out separately, and spread across different spatial scales will lead to a lack of integration.
- The Proposed Resource Management Reforms do not integrate with the reforms which are currently before the local government sector. **Three Waters Reform, and any ongoing reorganisation of local government must be integrated with the Resource Management framework.**
- **The Proposed Resource Management reforms must be flexible and able to reflect the evolving local government environment.**
- Hamilton City Council opposes a 'one-size-fits-all' regional approach to urban planning in New Zealand. As a Tier 1 growth Council, Hamilton and its Future Proof partner councils face unique metrocentric growth-related challenges. Any reform to the spatial scales of planning and the institutional arrangements required for implementation must reflect this and align geographically to the issues being faced.
- Hamilton City Council and its Future Proof partners have a proven track record of effective growth and resource management under the existing legislative frameworks and organisational structures. We have not yet seen evidence that the new Resource Management Reform legislative architecture will provide any better outcomes for Hamiltonians.
- **Too often Hamilton City Council engages in consultation processes such as this with Central Government but fails to be properly heard.** This territorial authority represents the coalface of resource management practice in an urban growth context.
- There are many lessons to be learned from a close consideration of the Hamilton context and we have constantly encouraged Government (through submissions and other processes) to engage on that basis.

79. Hamilton's Mayor, Paula Southgate, has recently stated that *"Hamilton City Council, alongside its FutureProof partners Waipā and Waikato, have done a very good job in planning for the future. That work has already been recognised by government, so I'm disappointed not to see that reflected in the proposals to date"*.
80. We also note that the Review into the Future for Local Government's website states that *"Further, planned resource management and three water reforms, if implemented as signalled, will also call into question the broader functions and roles of local government and have implications for local governance and wellbeing"*.
81. **Hamilton City Council again reiterates its strong view that the Review into the Future for Local Government should clearly have been the first reform undertaken by Government.**

Further Information and Opportunity to Discuss Our Submission

82. Should the Panel for the Future of Local Government Review require clarification of the submission from Hamilton City Council, or additional information, please contact **Julie Clausen** (Unit Manager Strategy and Corporate Planning) on 027 808 3882 or email julie.clausen@hcc.govt.nz in the first instance.
83. **Hamilton City Council would welcome the opportunity to discuss the content of our submission in more detail with the Panel for the Future of Local Government Review.**
84. We look forward to providing further feedback to the Panel when it releases its 30 September 2022 draft report and recommendations.

Yours faithfully



Paula Southgate
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Appendix A

Asserting our Voice: Shaping our future - paper to support Zone Two Councils in their meetings with the Future for Local Government Panel

Introduction

This paper has been prepared as a resource for zone two councils to draw on as they meet with the Future for Local Government Panel (the Panel) to provide their views on how best to shape the future for local government.

It's based on a couple of themes agreed by zone two councils; that local government is the natural intermediary (gateway) between central government agencies and communities; the importance of strengthening communities. This both reflects the local government purpose of promoting community well-being and recognises the growing emphasis, internationally, on the importance of voice, choice and control for communities over decisions which affect their place.

As a resource for councils to draw on, the paper does not make recommendations. Different councils will have different priorities based on their own understandings of their communities, and of what matters most to them.

This paper is not intended as a 'one size fits all' approach to the future for local government. Instead, it is an introduction to a number of different and innovative changes taking place both within New Zealand in terms of the public sector, and internationally in terms of the role of local government especially in working with communities. Individual councils may want to have more in-depth **discussions with the paper's author to help them determine what they would like** to draw on and how different initiatives can be fine-tuned for their own specific circumstances.

On the other hand, zone 2 councils may wish to consider collectively how best to work with the public sector on behalf of their communities as they develop the gateway approach. The paper acknowledges this and does have some suggestions to make based on recent and extensive discussions of how the changing role of the public sector may play out at a regional level.

This paper acknowledges the important role of Mana Whenua but also recognises determining the role which Mana Whenua should play in the governance of individual councils and their communities is something which can only be determined through dialogue with Mana Whenua themselves. It points to the potential of the way the community planning is evolving elsewhere as a very effective approach capable of addressing the potential conflict between a place-based approach by councils to working with communities, and **Mana Whenua's** historical attachment to their whenua. If New Zealand adopted an approach similar to that emerging in Scotland, community planning could cover much more than the whenua as such encompassing a full te ao Maori perspective.

Project scope

The report to zone two councils in December 2021 sets out what amounts to the terms of reference for this paper as addressing:

- Building the evidence and analysis to support the case that local government does have that gateway function. This analytical piece will include reviewing recent policy material from central government, and examples of emerging practice. It will also include drawing on international research and practice and understanding the approach taken by higher tiers of government in jurisdictions similar to New Zealand.
- Strengthening communities. We each advocate that councils are the natural leaders of their communities. Part of this is helping communities themselves come together and better connect. Elsewhere, this is at the heart of good well-being practice. For New Zealand councils demonstrating this in practice is crucial to support the argument all local government is the natural gateway between communities and central government and vice versa. We have links with a number of think tanks which are world leaders in how best to enable resilient place-based communities and can draw on their experience and expertise. It gives us a real advantage in ensuring that councils are recognised as the natural enabler of strong, resilient and connected communities. This work will also provide for consideration of the relationship between place-based communities and Mana Whenua and Iwi.

Although this is primarily a resource document for **councils, it's been prepared** recognising that the real audience includes the Panel itself. Accordingly, much of what is in this paper responds to a couple of the main signals from the **Panel's** interim report about the nature and purpose of the review:

- **It's** very clear the Panel believes New Zealand democracy needs strong local governance.
- **Rather than waiting for Panel's final report and government's** decisions on **the Panel's** recommendations, councils should be moving now on early opportunities including opportunities to build capacity and trust among partners in local governance, to strengthen innovation across the local governance system, and to leverage existing local government strengths.

The remainder of this paper deals first with the gateway role and then with strengthening communities.

The Gateway role

This part of the paper first covers case study examples, both from New Zealand and offshore, of instances where local government has in practice been the gateway between communities and a higher tier of government and then considers how the gateway role might become the accepted means for linking individual communities and central government agencies. The paper explores the potential for this taking place through collaboration between councils and regional public service commissioners.

The December 2021 report sets the scene for this paper stating “In our view the most important issue in shaping the future for local government is a unifying proposition that local government is the gateway between local communities and central government.”

One Chief Executive, commenting on the first draft of this paper, pointed out that councils, especially territorial local authorities through their normal activities, will have a very comprehensive understanding of the nature of different issues arising within their communities - which places, which families, **which groups or businesses. It's a natural consequence of the combination of councils' regulatory**, monitoring and planning roles including dog control, noise control, environmental monitoring, the council's public health role, waste management...

It's also how, increasingly, many councils see and work on relationships with their communities. One respondent to the first draft expressed this as “There is so much more. And importantly we are part of these communities too. These people are our neighbours, their place is our place. This was the approach that we took with our early engagement on the development of the 2021-31 LTP – we started with a series of neighbourhood bbqs, playing games with the kids, **chatting with the parents ...”**

The discussion which follows recognises the gateway role will mean a significant change in the way in which councils operate, including quite probably the mix of skills and capabilities they require. The reality is the gateway role as described means councils will be putting themselves forward as the primary authorities on the needs and preferences of their different and diverse communities across the full spectrum of matters capable of being addressed by public sector support or intervention.

Some case study evidence

The immediate evidence in support of **councils' capability to undertake the** gateway role is a series of case studies of initiatives by Waikato councils coordinated by the Thames-Coromandel District Council and led by Colab a local authority shared services entity (this has been made available separately to participating councils). Those case studies illustrate how councils have been able to act as an effective gateway between communities and central government **across a wide range of issues. It's a demonstration of capability to reach well** beyond conventional views of the role of local government, showing how well-placed councils are to deliver on the purpose of promoting “the social, economic, environmental, and cultural well-being of communities in the present and for the future”. **It's also the case, however, that these have in essence been one-off** project-based activities. Exercising a gateway role across the full spectrum of community issues represents an order of magnitude change from current practice.

International experience and, even more so, research, speaks strongly to the role which local government has working with communities to help them articulate their needs and concerns and develop options to facilitate their

outcomes in areas where policy is often the formal responsibility of a higher tier of government. Some examples:

1. In 2012 the UK government introduced a number of changes to the management of health services. This included requirements for the preparation of joint health and welfare strategies, and for undertaking joint strategic needs assessments. The obligations are the responsibility of health and welfare boards, formally subcommittees of principal councils and including representation of local clinical commissioning groups. The statutory guidance states:

The Government has set out a new vision for the leadership and delivery of public services, where decisions about services should be made as locally as possible, involving people who use them and the wider local community. The Act supports the principle of local clinical leadership and democratically elected leaders working together to deliver the best health and care services based on the best evidence of local needs. JSNAs and JHWSs are an important locally owned process, through which to achieve this. As such, and with duties that fall upon local parts of the system, each health and wellbeing board is likely approach them according to their own local circumstances. It would not therefore be appropriate for central Government to be prescriptive about the process or to monitor the outputs. (The statutory guidance can be accessed at: <https://www.gov.uk/government/publications/jsnas-and-jhws-statutory-guidance>).

JSNAs normally involve a dialogue between the health and welfare board, and the communities it serves, based on current assessments **of what's** happening with health and welfare. The dialogue both provides a way of verifying official assessments, and an opportunity for communities to suggest possible solutions to problems identified by the JSNA.

2. It is increasingly common for spatial planning to be treated as not just a technical land use planning exercise but also as a way for communities to plan for what should happen in their place. As one example recent **amendments to Scotland's planning legislation provide for communities to** prepare local place plans. The legislation is written in such a way that communities are able to identify themselves rather than being defined by a council or the government.

Guidance for the preparation of local place plans (<https://www.transformingplanning.scot/media/2236/draft-how-to-guide-pdf-format.pdf>) starts with setting out the purpose and expectation:

Local Place Plans are a way for communities to achieve change in their local area. They are a tool for local communities to think about **how to make their "place"** better, agree priorities, and take action (often working with others) to make change happen.

They are more than just a plan: they can help your community understand what it wants to be like in the future, and for working

together with your local authority and others to make positive change happen.

3. In England the Department for Digital, Culture, Media and Sport and the Ministry of Housing, Communities, and Local Government have been **encouraging local authorities to use citizens' assemblies as a way of** increasing the capability of local people to have a greater say over decisions that affect their communities and their everyday lives (see the Innovation in Democracy Program at: <https://www.gov.uk/government/publications/innovation-in-democracy-programme-launch>). More recently the Canton of Zürich in Switzerland has been trialling a project for encouraging each of the municipalities within the Canton to use citizens' assemblies to deliberate on questions **asked by the municipalities and then write a 'citizen letter' distributed to** each household within the municipality. Increasingly citizens' assemblies are being seen as a very useful tool for gaining a credible understanding of representative public opinion on matters which, politically, may be quite controversial. **In the Zürich instance, the initial round of citizens' assemblies was addressing climate change concerns, reflecting difficulties in dealing with these issues through the normal political process.**

4. There is a growing weight of research evidence highlighting the importance of actively involving communities in order to address some of the so-called **'wicked issues'**. **The standout example is public health** where there is now widespread recognition something in the order of 80% of health status is influenced more directly by institutions responsible for place management (local government) than by the health sector itself. The implications for local government are very well spelt out in the English Local Government Association publication Health in All Policies which can be accessed at: <https://www.local.gov.uk/publications/health-all-policies-manual-local-government> . This type of approach is likely to be especially important as government rolls out its reformed health and disability service with its emphasis (especially through the Maori Health Authority) on addressing the social determinants of health and Health New Zealand having as one of its **three objectives "to encourage and maintain community participation in health improvement and service planning"**.

How might the gateway role work in practice?

The proposition that local government should be the gateway between communities on the one hand and central government on the other is not just a simple extrapolation from the practice which has evolved through the individual examples outlined in the case studies in the Colab report. **In practice it's a** shift from an occasional project-based approach grounded primarily within the traditional role of New Zealand local government to a holistic approach encompassing every aspect of community needs/requirements which are or could be met by public sector provision.

It means councils will need the capability to support individual communities not only in identifying what are the major issues within those communities, but in developing practical solutions for addressing them. It means getting to grips

with the 'wicked issues' which have defeated successive governments in New Zealand and elsewhere time and again.

There's good reason to believe that councils have an inherent comparative advantage for doing so as they are much better placed than central government agencies to work collaboratively with their individual communities, and to encourage communities to join in the process of deciding on possible solutions and **helping put them into effect (there's good research evidence which will be discussed in the section of this paper dealing with strengthening communities to support this proposition)**. It does though mean that councils will need to work through how they resource the gateway role - what capabilities will they require internally which they do not now have; what external resources might they need, especially where there are good reasons for collaborating with other councils, and other community stakeholders, in sorting out possible options? What should be the respective roles of regional councils and territorial local authorities?

There is not yet a great deal of New Zealand research highlighting the potential **for councils to perform the gateway role. The Panel's work is one opportunity.** Council submissions could encourage the Panel to make sure that the necessary research is undertaken and influences the final report. Another opportunity is for **councils themselves (as is implicitly suggested in the Panel's interim report) to start the process of working with their communities within a gateway approach.**

This latter opportunity should bring another benefit with it; being able to proceed in step with and potentially help shape the development of the role of regional public service commissioners. This is especially important given the comprehensive nature of the mandate for regional commissioners to coordinate much of the regional activity of central government (within each of the 15 public service regions, which although they will often overlap with regional council regions, are in fact different). The mandate is to:

bring together, coordinate and align central government decision makers (supporting and building on existing groups) across the social, economic, skills and workforce, and environmental sectors, as it relates to regional leadership, planning and delivery of wellbeing outcomes for communities in their regions.

At a meta-level central government and local government have a common objective; improving the well-being of the communities they serve. At an operational level they each have the task of determining how best what they do can contribute to improve well-being, who does what when, and most importantly whether and how central government and local government work together. Determining this will include addressing years of less than satisfactory relationships between central and local government, and often a lack of confidence on the part of central government in the capability of local government (and on the part of local government in central government).

A bit of history

There is a sense in which New Zealand has been here before, and lessons to be learned from that previous experience. The Local Government Act 2002 not only

included the purpose of promoting community well-being (subsequently removed in 2012 and then reinstated in 2019) but also included two other very important measures in respect of well-being which were removed in 2012 but have not been put back into the act. One was an obligation for councils to facilitate a process for identifying community outcomes which was to provide opportunities for communities to discuss their desired outcomes including the relative importance and priorities of identified outcomes. The other was that a **council's long-term plan** should be a long-term council community plan (LTCCP) based on the identified outcomes. Among other things the plan was to outline how the local authority in order to further community outcomes would work with (amongst others) central government.

The intention of the time was very much one of creating a situation in which local government and central government (and other organisations) would work together determining how best to enable **a community's preferred outcomes**.

That ambition failed. There are a number of lessons to be learned from the failure. They include:

- There was a relative lack of central government commitment to making the process work despite the fact cabinet had directed that the Department of Internal Affairs would coordinate departmental engagement with LTCCPs. Reasons included the **department's own lack of** resourcing, and the lack of buy in from ministers and departments - which may in part have been because the community outcomes process was the brainchild of the Alliance party and adopted by the Labour led coalition government as part of the coalition arrangements.
- Another important factor was the lack of attention to explaining what was expected. In most other jurisdictions, when a higher tier of government puts in place initiatives affecting local government, councils are virtually bombarded with circulars explaining exactly what government intends and what local government is supposed to do. This practice is not followed in New Zealand. The community outcomes process highlights the costs - as one simple example, most councils failed to understand that the **community outcomes process was intended to identify the community's** preferred outcomes, not outcomes which council management themselves might put together, something that happened in a number of cases and significantly undermined the effectiveness of the process.

Lack of departmental enthusiasm had a lot to do with operational issues. Departmental regions differ one from another; not all departments were widely represented outside Wellington; there was a significant transaction cost issue - few departments were well equipped to handle discussions with every council, let alone build relationships with every community. Other challenges included issues such as:

- Authority - if meetings took place about outcome issues, did departmental representatives have authority to commit their department either to activity or to budgetary allocation.

- Consistency of engagement - lack of consistency in who was available to attend meetings.

Another issue which arose at that time and will arise again is the inherent commitment within government agencies to treating like cases in a like way **(perhaps better expressed as cases which appear to be like cases)**. It's currently exemplified by the Minister of Health's emphasis that everyone should be entitled to equality of access to equivalent treatment, eliminating the so-called 'postcode lottery'. **It's a commendable objective in a number of respects, but doesn't always sit well with the** fact that different communities, families, individuals may want different responses to similar circumstances.

Why work together?

Both central and local government are committed to well-being as a principal objective of public policy, central government through the well-being budget and the associated administrative and statutory arrangements; local government **through the restored statutory purpose** "to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future." **and the associated statutory requirement that the role of a local authority is to give effect to the purpose of local government.**

A common commitment to well-being is not necessarily a commitment or reason that the two tiers of government should work together. That turns more on whether working together will result in better outcomes for the communities they both serve than will be the case working separately.

The point is not trivial. Central government agencies typically have a very specific set of responsibilities and deliver these within the constraints of government policy (legislation/cabinet decisions et cetera) with often little discretion to vary an activity to accommodate circumstances of an individual case. Councils in contrast will often have very significant discretion in terms of what services to deliver, and how those are best delivered, including questions of eligibility. Their constraints are more through the democratic process.

Also, perhaps to oversimplify a little, although councils have been responsible for a number of services to individuals and households especially for example 3 waters, there is an increasing tendency for council services to focus on communities, typically communities of place. In contrast most of central **government's services are delivered to individuals or families even when they** form part of quite major spending programs.

In practice what this tends to mean is councils have a natural focus on **communities of place and the people of that place whereas central government's** emphasis is much more on people as entitled citizens.

Working with communities: work in progress for both central and local government

Local **government's performance in working with communities has been far from** perfect. There are a number of reasons which sit behind that, including the **conventional representative democracy understanding that 'we were elected to**

decide’ when increasingly communities want to have a say in decisions which affect them. Another important factor has been the nature of the consultation and compliance requirements imposed on local government by central government which in a number of situations have actively undermined the relationship between councils and communities.

The need to improve how councils work with their different communities has **been highlighted by the panel with this statement** “Current arrangements do not ensure that diverse communities are adequately represented or involved in decision-making. As a result, local authority decisions do not effectively represent all community interests.” **This is an important acknowledgement of the reality** increasingly recognised in virtually every jurisdiction that communities can be distinctly different so that a focus on community well-being among other things requires an understanding of and a focus on the difference between different communities within the territory of a single council.

The cabinet paper on strengthening a regional leadership system for the public service acknowledged similar challenges in terms of how the public service works with communities:

- The fundamental problem the framework is trying to address is continued fragmentation and duplication across agencies on cross-cutting issues. While the public service collaborates well on some issues in some regions, there are opportunities to embed new ways of working to better align how agencies invest and deliver services, and engage in the region. As each region organises itself differently, the public service is likely to engage differently across regions under the framework.

The Panel in its interim report acknowledges the new thrust in public service policy, effectively recognising that the regional framework is still work in progress especially in taking account of the full potential of local government:

- Recent public sector reforms have aimed at breaking down siloes and creating a unified public service which responds to social, economic, environmental and cultural challenges in an integrated way. As yet, those reforms have not taken account of the full potential of local government in developing co-ordinated responses to community wellbeing, though they are aiming to build a stronger central government presence and relationships at regional levels.

Enabling communities of place needs more than the commitment of a few dedicated individuals within the community. It needs structure, capability and resourcing, including the capacity to understand and articulate the needs and circumstances of the individuals and families within each community of place. This is a pivotal role for local government important not just for its communities, and the council itself, but also for higher tiers of government to the extent that they take an interest in community well-being.

It’s also a role which central government itself cannot discharge despite the fact that it may be a major risk bearer if communities are dysfunctional. For this reason alone central government should see working with councils to support

their role in enabling resilient communities as an important government initiative.

Collaboration within public service regions between central government agencies and local government

Any attempt, ex-ante, to list the areas/activities in respect of which central government and local government should collaborate is almost by definition counter-productive. Instead, this paper suggests that what should be looked for is the development of a set of protocols/understandings to inform public service regions (regional public service commissioners) and councils respectively on when and how it makes sense to collaborate and what that should mean in practice. Again, to try and prescribe how collaboration should take place risks goal displacement from the purpose of collaboration to the process, ultimately to the detriment of community well-being.

There are areas where active collaboration between central government agencies and councils (primarily as agents of their communities) may be relatively minimal, perhaps restricted to feedback on issues of general impact. The income support role of MSD may be an example but on the other hand, there will also be a case for providing feedback if the way in which that role is managed is causing concern.

There are other areas where the case for collaboration may be very strong, but may test the comfort zone of central government. The reformed health and disability system could be an example. There is likely to be a much greater demand for giving the social determinants of health a high priority than has been the case under the present system. It seems likely, for example, that the Maori Health Authority will virtually demand this - key people involved with its establishment have been very clear about the importance of addressing the social determinants.

Public health research is full of examples of how the local authority as place maker should be playing a pivotal role in improving public health outcomes - a simple example is access to recreational facilities where significant health gains have been made in England since the public health function passed from the NHS to local government and councils became more focused on the relationship between ease of access to recreational facilities and health of the population.

Practicalities - how to do collaboration?

The mandate for public service regional commissioners as worded, places the focus on collaborating with regional level and other significant stakeholders, rather than with individual communities. However it also stresses the purpose is planning and delivery of well-being outcomes for communities in their regions. They also have quite explicitly an obligation to ensure that they are collaborating with Mana Whenua in determining how best public services within their region are handled.

Informal discussions since the first draft of this paper was prepared suggest there is a very real intention to break down what have been relatively strong boundaries between departments with an objective of promoting genuine

collaboration rather than 'tick the box' collaboration. Also, somewhat contrary to the clear directions set in the cabinet paper, it appears that determining how regional public service commissioners should operate is still very much a work in progress partly because of the impact of Covid-19 but partly also because of the inherent complexity - as the cabinet paper itself acknowledges, regions each organise themselves differently.

Councils as noted above should have very good intelligence on what is happening within their different communities and what their priorities are, because of the nature of their regulatory, monitoring and planning roles and because typically they have at least some involvement with most of the voluntary and community sector organisations within their district. Among other things this means the typical council will be very well-placed to determine how best to support its communities in identifying and advocating for their needs and how best to address them.

Again, it would almost certainly be a mistake to develop a regulated or prescribed way in which councils communicate to regional public service **commissioners what's happening with their communities. Instead,** there will need to be some means whereby councils within a public service region come together from time to time to share with each other those matters which their communities have identified that do point to a need for better collaboration with the public sector. How Mana Whenua are involved in regional collaboration is a matter for Mana Whenua themselves to determine. However, there should be considerable value in Mana Whenua and councils within each public service region working together on how they respectively collaborate with the work of the regional public service commissione (the potential suggested for community planning later in this paper highlights an option which could be very useful for this purpose among others).

This relatively informal approach should be complemented by greater use of a number of the tools now available to local government for working with their communities to understand what matters (a number of these are discussed in the case study section above and in the part of this paper dealing with strengthening communities). Spatial planning is one example. In Scotland legislation now provides for self-identifying communities to develop a local place plan (see the discussion of community planning at page 26 below). **It's worth** looking at that from a New Zealand perspective. It may also offer a further opportunity for engagement with Mana Whenua.

Another tool which has been quite useful is the joint strategic needs assessment process. The Joint Strategic Needs Assessment (JSNA) is a process by which local authorities and Clinical Commissioning Groups assess the current and future health, care and wellbeing needs of the local community to inform local decision making (local community in this case is typically the population of a principal council and thus at least in the hundreds of thousands).

Other tools used increasingly within local government include citizens' assemblies and participatory budgeting both of which have a very real potential to help central government understand the needs and priorities of individual communities.

A further issue to look at is the way in which well-being policy and practice has **been developing in the UK, especially in the devolved jurisdictions. Scotland's** community planning legislation provides a good example.

By far the most promising option, though, is the recent initiative between COSLA (the Convention of Scottish Local Authorities) and the Scottish Government in **adopting the Place Principle, an agreement between the two requesting that** "all those responsible for providing services and looking after assets in a place need to work and plan together, and with local communities, to improve the lives of people, support inclusive and sustainable economic growth and create more successful places."

The principle reflects a growing process, over a number of years, of a greater focus on encouraging collaborative working between the Scottish government and its agencies, councils and their communities. The community planning initiative discussed below is another example. So is the agreement between the two for the promotion of participatory budgeting as a way of strengthening community governance (see the discussion of participatory budgeting in Appendix II).

Looked at in terms of past New Zealand practice, and central government/local government relationships in recent years, the Place principle could seem a somewhat radical departure from the way in which central government in particular has tended to work. On the other hand, it is clear that government and in particular the public service commission recognises there all needs to be a **different way of working if the government's well-being** objectives are to be achieved. A New Zealand equivalent of the Place principle would be a very worthwhile contribution to facilitating that different way of working.

In Scotland, the past history of working between the Scottish government and local government made it relatively straightforward to introduce the Place principle as a whole of government/whole of local government initiative. In New Zealand, given the past history, it would make better sense to test the idea before rolling about across the entire country. Given the nature of the various regional initiatives which have developed across the Waikato in recent years, and the working relationships with government especially on initiatives such as the Waikato Auckland corridor, trialling the development of the Place principle approach in the Waikato could be very worthwhile.

Assessment

There is much to be gained from collaboration between regional public service commissioners and councils within each public service region to determine how collectively they can best improve community outcomes. There is also much to be learned in terms of how this should be done, including the role of Mana Whenua. This is not an occasion for issuing a decree in terms of what should happen and who should do what. Instead it looks to be much more an opportunity for exploring how to build the requisite relationships, trust and capability, and to test this taking a learning by doing approach to determine what the long-term practice of collaboration should be.

This is something which groups of councils could start doing well in advance of **the release of the Panel's final report especially as, from central government's perspective, the need for more effective understanding between public service regions and the communities they serve is pressing.**

This is also a matter on which councils should be speaking with a relatively single voice to the Panel to give it some sense of what councils believe they are capable of doing through collaborative working with regional public service commissioners on behalf of their communities. If councils were of a mind to explore how the Place principle **approach could work, the Panel's final report** would be a perfect opportunity for showcasing it. Councils might also wish to encourage the Panel to work with them in developing this option in more detail **so that the Panel's final report can make appropriate** recommendations including recommendations that, as discussed above, collaborative working should not be the subject of regulation or direction so much as a matter of mutual understanding with practice evolving to meet the needs and preferences of different parts of the country.

Strengthening Communities

This part of the paper highlights the opportunity for and the importance of councils acting to strengthen their communities, and help them build their capacity and capability to work through what are their priorities and how they are best met. This part begins by drawing from evidence-based research making the case for the importance of communities. It then looks at practical options for working with communities, and the opportunities this can open up.

As an early signal of what should be the most interesting, practical and effective **suggestions in this paper, later sections deal with citizens' assemblies and with** community planning looking closely at what is happening in Scotland. The Scottish approach, at least on paper and in discussion with LGIU Scotland, looks as though it offers a potentially very powerful tool for enabling communities to spell out what they want to have happen in their place, and should provide a platform for engagement between communities and service providers in ways which enhance community influence over how services are designed, targeted and delivered.

The December 2021 report to zone two councils set the scene for strengthening communities with this statement:

We each advocate that councils are the natural leaders of their communities. Part of this is helping communities themselves come together and better connect. Elsewhere, this is at the heart of good well-being practice. For New Zealand councils demonstrating this in practice is crucial to support the argument that local government is the natural gateway between communities and central government and vice versa.

It's a strong statement signalling major change in the way in which councils work with their communities. It also signals what will be an essential shift if councils are to undertake the gateway role - to do that, councils will need to know more about their communities than government agencies individually or collectively. This means three things at least. First drawing on the knowledge

councils already have through their various regulatory, licensing, monitoring and planning **activities about what's happening in their different communities.** Next councils will need to assist communities to come together inclusively, and sort out what their needs and priorities are. Finally, councils will need to take much more of a partnership approach, stepping up as the leaders of local governance in the sense described by the Panel. This will include providing the support (including capacity and capability building, and resourcing) needed to build resilient communities. The examples in the Co-lab report '**Community Needs Analysis Report**' show how Waikato councils are already working collaboratively with their communities.

The increased emphasis on strengthening communities is widespread. It reflects a number of major shifts in understanding of the importance of communities. Strengthening communities, including encouraging co-decision-making and co-production, is seen as important for dealing with challenges such as growing social dysfunction, increasing distrust in government at all levels, growing inequality exacerbated by the impact of Covid-19, managing the social determinants of health and much more.

Looking elsewhere, the growing emphasis on well-being as the principal purpose of public policy has been an important driver for local government across the UK. Examples include:

- **Scotland's use of community planning partnerships, led by local** authorities, to bring public agencies and others together to ensure a focus on well-being through working with communities.
- The London based **think tank Locality's review of localism, chaired by a** former head of the home civil service, stressing the importance of voice choice and control for communities over decisions which affect their place.
- The Carnegie UK trust adopting democratic well-being as one of its four **well-being domains expressed as "we all have a voice in decisions that affect us."**
- In Wales the adoption of the Well-being of Future Generations (Wales) Act in 2015 to provide a structured and independently monitored process for supporting a public sector focus on well-being placing councils at the centre.

The UN Sec general has made this comment on the Welsh initiative (emphasis added) *"We are encouraged to see that many governments are rising to the challenge of placing well-being at the front and centre of their policies... The Commissioner responsible for well-being in Wales is independent from Government, and is basically a Commissioner who is in charge of telling the Government whether the Government is doing a good enough job in terms of citizen well-being. Now that is a very interesting model, because all of us are used to the government being the one to tell us what is right and therefore depends on how inspired and how dedicated or focused as the leader or the minister in terms of well-being itself. But when you have an external, independent authority who is hopefully well resourced and well-staffed, it gives examples of institutions and 'how to do it'.*

In the United States working with communities and engaging them in decision-making on matters which affect their place is a common theme throughout local government. Two examples illustrate this. The first is from the discussion on **public engagement in the latest version of the National League of Cities' model city charter**:

- **"if cities don't collaborate with leaders and organizations outside government**, leaders may misunderstand community preferences and perspectives. City officials should develop relationships with a wide range of community members and community organizations in order to participate in, respond to, and support engage resident-led initiatives. Government officials should leverage the connections and networks that already exist in the community, rather than treating each engagement initiative as a separate, stand-alone effort.

"At the same time, the success of any local government's engagement efforts is dependent on the recognition by residents of their responsibilities as community members. These responsibilities include voting, volunteering, deliberating respectively with other members of the community, seeking and sharing information honestly, and engaging with local institutions to co-produce public goods and services and address community challenges."

The second is a 2021 report from the Center for Public Service (CPS) at Portland State University, *Building Local Government Capacity for Community Engagement* (effectively a survey of practice across the entire United States) which sets out both principled and practical cases for engagement with communities including community involvement in decisions which affect them:

A principled case for engagement stresses the essential role of public participation in a democratic society. Community members deserve to be involved in the decisions that affect them.

A practical case for community engagement is grounded in the tangible benefits of involving people in decisions that affect them and avoiding the pitfalls of failing to do so. From the standpoint of government staff and elected officials, the most compelling argument may be that effective community engagement can help them solve problems.

The report has been circulated with this paper.

In Australia recent and forthcoming change to local government legislation in some states is repositioning engagement in a way which is expected to result in councils working with and enabling communities. The following are the **community engagement principles stated in Victoria's Local Government Act 2020**:

- (a) a community engagement process must have a clearly defined objective and scope;

- (b) participants in community engagement must have access to objective, relevant and timely information to inform their participation;
- (c) participants in community engagement must be representative of the persons and groups affected by the matter that is the subject of the community engagement;
- (d) participants in community engagement are entitled to reasonable support to enable meaningful and informed engagement;
- (e) participants in community engagement are informed of the ways in which the community engagement process will influence Council decision making.

Principles (c) and (d) taken together point strongly towards encouraging councils to support communities of place capable of becoming dialogue partners over time.

In New Zealand traditionally the emphasis has been on conventional consultation rather than on engagement and working with communities. In recent years, recognising their communities wanted greater involvement, a number of councils have been experimenting with different approaches including, for example, pre-consultation engagement on the development of their Long Term Plans.

Added emphasis has been given to change by government initiatives to reform local government and as the place of community has become a constant refrain in major policy initiatives such as the reform of the health and disability system. **It's also at the heart of the stated objectives for the new public service** commission with the statement in section 13 of the public service act 2020 that **"The fundamental characteristic of the public service is acting with a spirit of service to the community."**

There is still far too much disconnect between different planning and accountability requirements, and between compliance with those and working for the benefit of communities. Part of the problem has been the lack of alignment between central and local government and the tendency of central government too often to take decisions without understanding local circumstances or the place of local government. Current reform processes provide an opportunity to embed better alignment and collaboration in the relationships between the two sectors.

Councils which decide they do want to be the gateway between their communities and central government will face relatively new challenges including the need to understand:

- The intricacies of workings within central government and the respective responsibilities and interactions between different government agencies so as to judge which agencies are likely to be having what impact on issues confronting their communities (central government will face a similar but reverse challenge);
- **What's happening with key aspects of well-being** not just across the district as a whole but community by community because of the extent to

which well-being outcomes on the same metric can differ quite dramatically between different communities.

This latter challenge is well illustrated in the following graphic demonstrating differences in life expectancy for children born in Coventry in the first part of the last decade which has become something of a classic for highlighting differential outcomes:



That graphic also helps illustrate an important reality in thinking about well-being; the importance of drilling down to understand variations at a very local level. For the same period as this graphic demonstrates markedly different life expectancy for children born in different parts of Coventry, Public Health England reported that for the city of Coventry as a whole, life expectancy had increased by 1%.

Similar differences will apply to most other important outcomes. What this highlights is that to focus on areas of greatest need, service providers need very good and very local knowledge. They also need this in respect of a variety of outcomes, not just on a single metric such as life expectancy. Differences on life expectancy will almost always be accompanied by differences in income, quality of and access to housing, transport, food security, quality of life years **expectancy, educational levels, employment...**

Public health researchers have long recognised that local government has a pivotal role in determining how to mitigate poor outcomes across these and other contributors to the quality of the life within communities. This follows from the reality identified by extensive research that something like 80% of the contributors to health status are not under the influence of the health system but of whoever is responsible for place management. Invariably this **responsibility lies primarily with local government. In England it's one reason** why responsibility for public health was transferred in 2012 from Public Health England to principal local authorities.

The impact of the Covid-19 pandemic has sharpened the focus on the importance of working with communities, and understanding the differences between individual communities, especially in terms of the so-called **'wicked issues'**. **There is worrying evidence that in many disadvantaged communities** growing inequality, risk of social dysfunction, and increasing detachment from the political process have the potential to result in quite major social breakdown. **It's highlighted the importance of working through communities to try and** restore trust in government, and seek solutions to problems of exclusion and growing inequality.

On the positive side the impact of the Covid-19 pandemic has also illustrated the genuine potential for communities to respond swiftly and effectively to crisis. Community response to the Covid-19 pandemic is an oft cited example. In the UK literally thousands of groups came together spontaneously to support their communities - see **'We Were Built for This'** available at <https://locality.org.uk/policy-campaigns/leading-the-coronavirus-recovery/>). Mutual aid was also feature of how many New Zealand communities responded see: <https://www.volunteeringnz.org.nz/community/community-response-five-things-you-can-do/>

As the Panel has made clear in its interim report, what this paper is discussing is a shift from government - councils basically undertaking a range of activities required or authorised by legislation - to governance, councils strengthening **communities so that they are able to exercise 'voice choice and control in relation to decisions which affect their place'**. In the real world, it is also a shift from activities which are highly constrained by legislation and regulation, thus limiting the effectiveness of local government, to activities which are largely discretionary offering much greater scope for the creativity and innovation needed to deal with many of the issues now confronting councils and their communities.

The nature of the shift from government to governance, and its significance, is well summed up in an article discussing change in Australian local government, From Citizen Participation to Participatory Governance in Australian Local Government, available at: <https://epress.lib.uts.edu.au/journals/index.php/cjlg/article/view/1007>

The shift from government to governance involves the provision of means to engage individuals and organisations outside government through **'structures and arrangements which support effective relationships across the public, private and community sectors as they collaborate in decision-making'** (Edwards 2005:12). This has been described by Putnam as **'social connectedness', a critical element in the formation of social capital** (Putnam 2000). It involves an active role for government in enabling or capacity building in local communities, rather than the more passive role implied in traditional notions of citizen participation. However, both the traditional notion of citizen participation and this emerging idea of capacity and relationship building have roots in the notion that **citizen participation is a 'basic building block for contemporary democratic society and sustainable communities'** (Cuthill and Fien 2005:64). Citizen participation in governance also aims to devolve power and resources

away from central control and towards front-line managers, local democratic structures, and local consumers and communities in what **Stoker terms 'new localism' (Stoker 2004)**. This has implications for traditional ideas of representative government with communities moving away from vicarious engagement in democracy towards more direct involvement in decision-making processes.

Recognising communities

Despite this increased interest in communities, there is no easy way of defining a community as such. Practice recognises communities of place, communities of interest, communities of identity and other variations. Normally, when governing entities (local government, higher tiers of government) have wanted to **recognise communities for their own purposes, it's typically been done through means such as those applied by New Zealand's Local Government Commission** and without any direct connection to the people of the community as such.

Rules for establishing boundaries, especially for electoral purposes, have the benefit of apparent objectivity, and of producing clearly defined geographies. They have the disadvantage there may be no direct connection in terms of identity to the people within that statutorily defined community. Identity; a sense of belonging; is now recognised as an important element in well-being.

To deal with the need to ensure recognition of communities is shared by the members of the communities themselves, it is becoming increasingly common to accept that the people best placed to define a community, especially a community of place, are the people of the place itself.

This has been relatively well established, in the United States, for a number of **years with initiatives such as Portland, Oregon's network of recognised residents'** associations which are in essence self-identifying communities which have satisfied the criteria set by the council for recognition. A number of other US cities have followed similar approaches, often working through city-based departments of neighbourhoods whose explicit role is to strengthen communities.

Some jurisdictions provide formal legislative backing to support the emergence of self-identifying communities.

The Scottish government has recently amended its planning legislation to provide for the preparation of local place plans by community-controlled bodies. The guide for the preparation of local place plans is very clear in its opening statement that it is for the community itself to make choices:

Local Place Plans are a way for communities to achieve change in their local area. They are a tool for local communities to think about how to **make their "place" better, agree priorities, and take** action (often working with others) to make change happen. They are more than just a plan: they can help your community understand what it wants to be like in the future, and for working together with your local authority and others to make positive change happen.

As the definition of 'community body' makes clear community bodies are effectively self-identifying communities¹.

Both the Portland and Scottish approaches are intended to address the inherent subjectivity of community and the difficulty of arriving at any objective means of **being able to state 'this is a community' and here is the evidence to support that.**

The practice of establishing a process for encouraging communities of place to identify themselves is still relatively uncommon. Typically, if a New Zealand council wishes to work with communities of place, it will rely on a combination of the knowledge and experience of elected members (and management) and dialogue with stakeholders to get some sense of what would be regarded as legitimate boundaries recognised by the people of the place. This will often, also, be informed by existing geographical and topographical characteristics - a council whose district is made up of a series of townships and their hinterlands will in all likelihood recognise those townships and hinterlands as separate communities of place. Larger urban areas can be more challenging but even within those there will often be broad understandings about different communities and their characteristics.

Where councils have existing community boards, or community committees, those are likely to be treated as communities of place although as recent experience of one council demonstrates this can be problematic. Neither community boards nor community committees necessarily operate as expressions of local democracy. Councils choosing these options should take steps to ensure community boards or committees act in an inclusive and democratic manner, perhaps through appropriate provisions in an instrument of delegation.

¹ **In this Part, a "community-controlled body" means a body (whether corporate or unincorporated) having a written constitution that includes the following—**

- (a) a definition of the community to which the body relates,
- (b) provision that the majority of the members of the body is to consist of members of that community,
- (c) provision that the members of the body who consist of members of that community have control of the body,
- (d) provision that membership of the body is open to any member of that community,
- (e) a statement of the body's aims and purposes, including the promotion of a benefit for that community, and
- (f) provision that any surplus funds or assets of the body are to be applied for the benefit of that community.

The key message for councils here is the importance of listening and understanding how different interests within the district express what they **believe is 'their place'**. **This is not just an administrative undertaking.** Communities of place are very much about identity; to be viable entities, it matters that the people of the place identify with that community.

This has been highlighted in recent work by the UK think tank, New Local, which has been undertaking a multi-year project on what it terms the community paradigm, the need for a shift away from a state/market approach to defining and delivering services, to a community-based approach recognising, amongst other factors, that increasingly services to be effective will need to be co-produced with communities as contributing partners.

In its most recent report, *Community Power: The Evidence*, available at <https://www.newlocal.org.uk/publications/community-power-the-evidence/> New Local addresses the concept of community highlighting its inherent subjectivity:

The term *community* itself is fluid, and so it is important to clarify what we mean when we refer to it at the outset. We refer to two core types of community in this report — communities of *place* and communities of *interest*.

Communities of place are geographic networks anchored in a neighbourhood or locality – the boundaries of which are subjective, but meaningful for those that inhabit the space.

Communities of interest are networks where people come together, united around an issue, experience or condition. These communities may reach beyond a specific geographic location, but they are often situated in a particular place where shared interests are connected physically.

Working with communities

Normally councils deciding how to work with their communities will look primarily to their own local circumstances and experience, perhaps using some outside advice but essentially (subject to any regulatory requirements) making their own choices on what they believe will best suit them.

The reform agenda, and adopting the gateway approach, implies a very different approach. By itself, enabling strong communities themselves able to work with the council over time helping shape their preferred outcomes implies different ways of working and a need for different resources and skill sets within the council. Doing this as part of implementing the gateway approach sets other priorities. Councils may want to work collaboratively, especially in managing relationships with central government agencies and other key stakeholders.

There is a good argument councils should work with each other to develop some common understandings of what works and how best to proceed especially with a focus on entrenching the gateway role, perhaps developing a shared guide to strengthening communities.

There is also a good argument that councils should use the opportunity presented by this change in focus to tell their communities what they are doing and why. Start with highlighting the **council's governance role. Stress the importance both of strengthening communities and of the council's gateway role** for ensuring government agency interventions at a community level are undertaken in ways which best suit the needs and circumstances of the people of those communities. This should also be the first step in inviting individuals, community organisations and other stakeholders to set forward their views on how the council should go about recognising communities, and what councils should do to support them.

As councils will know very well, there are also a number of other matters which will need to be addressed including issues such as culture, ensuring alignment internally between different divisions of the council, and embedding a practice of strengthening communities throughout the organisation. The Portland State University report, *Building Local Government Capacity for Community Engagement*, is an excellent and very practical discussion of the various steps, practices and the like which councils should consider as part of building their own capability for strengthening communities. The report is not yet published so is circulated with this resource paper.

A further issue likely to arise is the respective roles of territorial local authorities and regional councils in enabling communities both of place and of interest. In practice because territorial local authorities have a much greater responsibility in the actual delivery of place-based services, it would make sense for TLAs to have the primary role in supporting and enabling communities of place. Regional councils might be more focused on communities of interest, especially interests focused on aspects of regional council responsibilities such as different elements of environmental management. It is likely that TLAs could also be involved in supporting communities of interest, especially when those are interests associated with particular characteristics of residents within the district - ethnicity as one example.

Some practical issues in strengthening communities

- Communities will need some form of structure through which community level discussions are enabled, and community views on what should be done formulated and then expressed to the council and others. The **criteria set for community bodies in Scotland's local place plan legislation** are a useful guide. Those criteria are sufficiently broad to recognise not just communities of place, but communities of interest within the local **authority's district**. Similarly, the scope of place planning is sufficiently wide to facilitate planning not just by communities of place but by communities of interest. As in Scotland, a New Zealand approach to local place plans would need some constraint on number and scale to avoid a multiplicity of plans. It should also ensure at least some kind of minimum scale such that individual local place plans were a significant contribution to quality of life in the district as a whole.
- Developing/acquiring requisite capacity and capability - normally this will mean the council itself developing the internal resource to support capacity and capability development and providing some resource to

assist community groups with their administrative and other costs. This is now common practice, for example, with the departments of neighbourhoods which many US cities have as part of supporting communities. In the context of local government reform and the emerging gateway role, there is a good argument for councils coming together to develop a joint resource as for example has happened with a number of regional initiatives within the Waikato. Given the centrality of this initiative to the good governance of communities, that coming together should be at a relatively high level - perhaps the mayoral Forum - as it will inevitably need to address core questions of governance and central government local government relations as well as working with communities.

- Councils should not lose sight of the very real benefits which they as organisations can gain from strengthening communities. Among them are **the potential for communities to act as the council's eyes and ears** reporting potential problems before they become expensive, better management of infrastructure maintenance and renewal through getting community input on desired service level standards - experience suggests that, when a community understands that it is spending its own dollars, **it's likely to be more parsimonious than councils themselves**. Another matter becoming significant in local government practice internationally is how best to enable relationships with communities so that communities themselves start developing solutions to issues that normally would be the **council's responsibility and then themselves implementing those solutions**.
- Experience shows also that strengthening relationships with communities **increases the council's social licence to operate, enhances respect for** elected members and staff, and reduces the prospect of challenge to council initiatives as people have greater confidence.

Practical tools/strategies for building communities and strengthening local governance

This part of the paper looks at six practical measures for building communities and enhancing local governance. All are drawn from existing and successful practice.

Make community engagement enjoyable

To get and keep people within the community generally involved, rather than just the normal squeaky wheels who will always turn up, it helps to make community engagement and decision-making enjoyable. Wiltshire Council² in south-east England, which has delegated local decision-making to some 18 different area boards (technically council subcommittees), takes a modern town hall meeting approach. Meetings are open to anyone who wishes to attend, and begin as a social occasion with food and live music before moving onto decision-

² an overview of the Wiltshire experience and the benefits it has brought to the council and its communities can be found in Local by Default, an article in the New Zealand local government magazine which can be accessed at <https://localgovernmentmag.co.nz/local-by-default>

making. It is quite common for as many as 100 people or more to turn up as much for the social occasion as for the involvement in decision-making. The record shows these meetings are very effective not just in dealing with matters council itself has delegated, but in working through community issues including developing community designed solutions to local problems.

Another approach increasingly recognised as a way of building community relationships between members of a community is participatory budgeting. The commitment in Scotland between COSLA and the Scottish government to the use of participatory budgeting and council level was made specifically for this reason.

Important as well run and enjoyable community meetings are, experience with community governance globally shows that there is much more to community governance than simply meeting to make decisions. Increasingly, the emphasis on community governance is on different means of engaging people, including people who would not necessarily turn up even to the most enjoyable town hall meeting, and of exploring different ways of procuring and allocating resources, both financial and non-financial. One intention is to build a sense of belonging as a means of countering growing alienation from the political process.

The remaining five

The remaining five are participatory budgeting, civic crowdfunding, anchor institutions, **citizens' assemblies and community planning**. the first three have already been discussed quite extensively with participating councils. It remains useful to have them on the record in this paper but to keep the **focus on what's new they appear in appendix II. The remaining two, citizens' assemblies and community planning**, in their present manifestations are developing as very exciting and useful tools which are well worth having a close look at for what they can do both for communities and for councils.

Citizens' assemblies

A citizens' assembly is a group of people brought together, often by a government or a council, to learn about a specific policy challenge, deliberate on possible action and eventually formulate a policy recommendation.

Citizens' assemblies are used to involve citizens in sensitive societal debates. Well-known examples include the Irish **citizen's** assemblies on same-sex marriage and on abortion and in this part of the world the Melbourne City **Council's citizens'** assembly to consider its 2015-2025 financial strategy. These were all instances where the normal political process was hamstrung by very **strong and vocal opposition from powerful minorities. The citizens' assembly** process was able to demonstrate, through a robust and objective process, that the weight of public opinion was in support of the change which politicians, confronted by concerns over re-election, had felt unable to make but felt able to adopt as a result of the assembly process.

Participants are chosen randomly, but weighting is then applied to ensure that the selection is representative of the wider population in terms of age, ethnicity, education level, geographic location, and gender. As these citizens are not

necessarily experts on the issue at hand, they receive assistance to examine it from different perspectives. The inquiry phase contains meetings with competing interest groups, hearing the voices of those affected by the issue and evidence from experts. Over the course of days or weeks, they move into the deliberation phase using both small-group discussions and larger debates. In the final phase, **the citizens' assembly is expected to make a clear policy recommendation.**

Interest in the use of citizens' assemblies is growing rapidly as experience demonstrates their effectiveness in dealing with politically challenging questions. As current examples:

- The Canton of Zürich has worked with each of its 160 municipalities to run citizens' assemblies on climate change issues.
- The **Scottish government has committed to running a citizens' assembly** on local government funding (as an aside, it is tempting to think of what **might result if New Zealand local government ran a citizens' assembly on local government funding** as this would almost certainly change public perceptions).
- The UK Department for Digital, Culture, Media & Sport and the Ministry of Housing, Communities and Local Government jointly established the Innovation and Democracy Program to trial the use of citizens assemblies in local government. They have also jointly published *How to run a citizens assembly - a handbook for local authorities* which is available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/896502/IdDP_handbook_-_How_to_run_a_citizen_assembly.pdf
- **In Oregon the Citizens' Initiative Review (run along the lines of a citizens' assembly)** is an official part of the state election process. Its purpose is to address concerns about the nature of evidence that voters have been receiving in the lead up to votes on ballot measures. It does this through the production of high-quality statements which are made available for voters.

Citizens' assemblies are normally supported by one or other of a number of specialist NGOs established to promote innovation in democracy. There are three in Australia, all able to work in New Zealand if desired, the New Democracy Foundation based at the University of Sydney, the Centre for Deliberative Democracy and Global Governance at the University of Canberra and the Australian arm of the US based Sortition Foundation. The Foundation has produced what is perhaps the best publicly available short but pithy and **informative explanation of why use citizens' assemblies.** It can be accessed at: <https://www.sortitionfoundation.org/why>

A number of New Zealand councils have experimented with ways of establishing **what are intended to be representative citizens' panels of some form such as the 'voice of Hamilton' peoples panel.** These are worthwhile initiatives but should be distinguished from citizens' assemblies as these are now evolving. The critical strength of a citizens' assembly is the combination of very robust selection to ensure a genuinely representative grouping, and careful management of the

process to avoid any suggestion that somehow evidence or deliberations were biased. The value from a local government perspective, especially on matters **where government is involved, is that the recommendations from a citizens' assembly** will normally be both clearly representative of the community involved, and robust in terms of decision-making - often much more so than special-purpose bodies established by the government to advise it.

The number of controversial issues now confronting councils or at least playing out within their districts - **housing, infrastructure, funding...** - suggests that **citizens' assemblies could have an invaluable role to play.**

Community planning

Community planning in the sense of communities coming together to determine how best they wish to shape their place is increasingly common. Sometimes it takes place in accordance with well-developed professional guidance, sometimes it can be a bit more spontaneous.

Often, community planning will be nested within a broader planning undertaking, perhaps with a national planning framework at the apex of a system which includes regional and district plans of some form. The growth of spatial planning has encouraged greater interest in community planning on the argument that planning for spaces is essentially planning for places where people live.

A characteristic of community planning is the relatively light touch of legislative or regulatory direction as to how community plans should be prepared, what they should cover, and how they should be presented. Rather they are recognised as legitimate but non-binding expressions of community preferences whose implementation will depend on commitment.

The following concise and insightful description of community planning is taken from the website of the Dartmoor National Park:

Community Led Planning is a collective term for the different types of plans that can be prepared by a community for its own area, often a parish. It gives communities an opportunity to make things happen locally, can be used as evidence to attract funding for local projects, mobilise volunteers to tackle local issues or be used to develop a collective understanding of place and people.

Before deciding on a plan it is important to establish what it is your community wants it to achieve. This will then guide your choice of plan or indeed whether to undertake a plan at all. There is no requirement for communities to prepare a plan of any sort.

Like all plans, community led plans need to be kept up to date and refreshed every 3 -5 years. They should be based on sound evidence and thorough community consultation and engagement. The preparation of the plan is only the first stage and most often it is the actions that stem from it that have the greatest community impact.

The recent initiative by the Scottish government to make legislative provision for local place plans (see page 4 above) and the associated mainly non-statutory guidance provides an example of community planning which would work well with the growing interest in spatial planning within New Zealand. As in Scotland, there would be merit in making similarly supportive legislative provision for community planning in New Zealand although, given its nature, community planning is something which councils could encourage without the need for any **legislative backing, drawing on international practice and Scotland's guidance for local place plans**. If any statutory authority were sought, section 10 of the local government act setting out the purposes of local government should be sufficient.

Community planning in Scotland is supported by Planning Assistance Scotland (PAS), a charitable body which has been very active for a number of years in advancing the cause of community planning.

PAS's January 2022 newsletter contains a wealth of very valuable information on local place plans - the history behind them, current guidance, examples of plans and much more. The newsletter can be accessed at: <https://www.pas.org.uk/localplaceplans/> and is well worth reading.

Thinking about local place plans through a New Zealand lens, there is one very interesting possibility which could be well worth exploring; the idea that Mana Whenua could have the same statutory rights as community groups for the purpose of preparing a local place plan. This could be a very practical and noncontroversial (as compared with other possible options) way of addressing how to apply the principles of the treaty within local government. There has not been time within the very tight timeframe for preparing this report to discuss this possibility with any representatives of Mana Whenua but it certainly looks worth considering.

Conclusion

This report has been prepared to assist participating councils prepare for their **meetings with the Panel. To complement the report itself, the report's author is** available for sessions with council elected members and/or management to discuss any matters which arise from reading the report.

APPENDIX I

The Place Principle in Scotland

The Scottish Government and COSLA have agreed to adopt the Place Principle to collaboration and community involvement, and improve the impact of combined energy, resources and investment.

The principle was developed by partners in the public and private sectors, the third sector and communities, to help them develop a clear vision for their place.

It promotes a shared understanding of place, and the need to take a more **collaborative approach to a place's** services and assets to achieve better outcomes for people and communities. The principle encourages and enables local flexibility to respond to issues and circumstances in different places.

The Place Principle supports the [National Performance Framework](#)'s collective purpose for Scotland.

It helps partners and local communities unlock the National Performance Framework and make it applicable to where and how they live and work.

What does the Place Principle say?

We recognise that:

- Place is where people, location and resources combine to create a sense of identity and purpose, and is at the heart of addressing the needs and realising the full potential of communities. Places are shaped by the way resources, services and assets are directed and used by the people who live in and invest in them
- A more joined-up, collaborative, and participative approach to services, land and buildings, across all sectors within a place, enables better outcomes for everyone and increased opportunities for people and communities to shape their own lives.

The principle requests that:

- all those responsible for providing services and looking after assets in a place need to work and plan together, and with local communities, to improve the lives of people, support inclusive and sustainable economic growth and create more successful places.

We commit to taking:

- a collaborative, place-based approach with a shared purpose to support a clear way forward for all services, assets and investments which will maximise the impact of their combined resources.

What does it mean for partners?

We face significant challenges, fiscal, demographic and socio-economic. More of **the same won't do. We must adopt a more common**-sense approach that focuses on what is important: people and communities. To maximise the impact of our combined resources we must work better together.

Implementation of the Place Principle requires a more integrated, collaborative and participative approach to decisions about services, land and buildings.

The principle is a way of bringing ideas about services, investments, resources and assets together under one roof.

It is an approach to change based upon a shared understanding of what that place is for and what it wants to become with partners and communities collaboratively agreeing the joint actions required to make that happen and doing them.

It provides communities and partners with a way to exercise local or regional accountability over decisions taken about the way resources, services and assets are directed and delivered.

We endorse the Place Principle because we are committed to strengthening the co-ordination and integration of all place-based activity. This means we will:

- consider the benefits of planning, investment and implementation activity at the regional level of place - where that focus could drive faster rates of sustainable and inclusive economic growth
- ensure that place-based work at the local or regional level being led by Scottish Government and its agencies is taken forward in a way that is integrated between both levels of place and cognisant of all complementary work being taken forward in associated policy areas
- exemplify the behaviours reflecting the core of the principle, working and planning together with our partners and local communities to improve the lives of people, support inclusive growth and create more successful places.

APPENDIX II

This appendix sets out what should be a relatively familiar overview of three tools, participatory budgeting, civic crowdfunding and anchor institutions. Councils are invited to see each of these three as tools which could be put into place now - as an example there is a standing offer from the people involved **with developing Preston's anchor institutions** strategy for assistance in adapting the anchor institution approach to the New Zealand environment.

Participatory budgeting

The website of participatorybudgeting.org, a US NGO which has been a world leader in providing support for the adoption and practice of participatory budgeting, describes it as:

Participatory budgeting (PB) is a democratic process in which community members decide how to spend part of a public budget. It gives people real power over real money.

PB started in Porto Alegre, Brazil, in 1989, as an anti-poverty measure that helped reduce child mortality by nearly 20%. Since then PB has spread to over 7,000 cities around the world, and has been used to decide budgets from states, counties, cities, housing authorities, schools, and other institutions.

The New York Times calls PB “revolutionary civics in action”— it deepens democracy, builds stronger communities, and creates a more equitable distribution of public resources.

As the description implies, participatory budgeting is used in a very wide range of different circumstances, and with very different communities. As a couple of examples:

- **New York City** uses participatory budgeting in its school system. Part of public school budgets are allocated through a participatory budgeting process in which students are the participants. The primary objective in this instance is to help strengthen the student body.
- **Paris allocates approximately €100 million through participatory** budgeting with different components of the overall sums targeted towards whole of city, district and local projects. It reflects a commitment by the current Mayor to increase democratic participation within the city.

Participatory budgeting may be as broad as “how should we allocate this amount of the budget for purposes of public benefit within the city?” to “we have set aside this amount for minor street works within this part of the city. What street works should be part of the program?”

The practice is much more than simply announcing that money within the particular area will be allocated through a participatory process. It includes facilitating discussions at a community level (which may be the local neighbourhood, or the entire city depending on the scope of the proposed allocation). It also includes providing information on different options so that

people taking part can make informed decisions. Often the process on the community side will be guided by people appointed from the community and ideally by the community. Final decisions are normally made by voting. This can range from a show of hands at a town hall meeting, to a ballot box process not unlike a local election.

Scotland provides an example. The Scottish government and the Convention of Scottish local authorities (COSLA) have made a joint commitment that 1% of the budget of each Scottish council would be allocated through participatory budgeting. Even although much of council budgets are in effect pre-committed to ongoing activity, 1% can seem a relatively small amount (in practice given **the scale of Scottish local government's responsibilities, it is approximately £100 million a year**).

There is evidence from Scottish experience that participatory budgeting is playing an important role in strengthening community engagement and building stronger communities. An overview of current Scottish experience can be found on the website <https://pbscotland.scot>

Scotland also has a participatory budgeting Charter developed with the support of a number of groupings including the Scottish government and COSLA. The purpose of the charter is to set out the requirements for and characteristics of good participatory budgeting. It is a very useful guide for public bodies, especially councils, considering the use of participatory budgeting. It can be accessed at: <https://pbscotland.scot/charter>

The National Participatory Budgeting Strategic Group has recently published a framework for the future of **participatory budgeting in Scotland**. It's remarkably well aligned with the way which councils in New Zealand are thinking about the future for local government. The framework can be accessed at: <https://pbscotland.scot/blog/2022/1/20/pb-strategic-framework-workshop-report-the-way-forward-for-pb-in-scotland>

Civic crowdfunding

This is primarily an English initiative which grew out of the now widespread practice of crowdfunding. Crowdfunding has evolved as an online means of raising funds, typically donations, for a very wide range of different activities, from accessing expensive healthcare, to undertaking local public projects.

Civic crowdfunding evolved as an initiative of Spacehive.com, an NGO which operates as a social enterprise. Chris Gourlay, its founder, saw an opportunity for applying crowdfunding to support community based civic projects where the emphasis would be not just on the project itself, but on the process, and the impact upon community capability.

The typical civic crowdfunding project will be undertaken in conjunction with a local authority, perhaps as a means of allocating and adding leverage to a grant funding program, with Spacehive.com providing the online facility, and working with the proponents of the crowdfunding project to ensure that the process and outcomes reflect a strong community element. A common approach is for a council to set aside a fund for discretionary grants for community purposes and

invite proposals on the basis that the council will make a grant conditional upon the applicant raising an agreed further amount through crowdfunding.

The exemplar for civic crowdfunding is crowdfund London, an initiative of the current Mayor of London which was started in 2014. The following extract, highlighting the real value of civic crowdfunding in building community **capability, something which was the Mayor of London's primary objective for crowdfund London**, is from a 2019 overview of the initiative:

We are also seeing how the crowdfunding process itself isn't just about raising money. It's about reaching out to the wider community, getting more people actively involved in their area, and building skills and knowledge through volunteering. This means the benefits go far beyond just the projects themselves.

The real legacy is the community groups that have been formed and strengthened through the process. Crucially, it's what they'll go on to do for their places in the future.

Crowdfund London is changing the way City Hall works with Londoners. **We're learning how lots of small projects can make a big social impact. And we're only starting to understand the wider potential of this approach.**

We hope this publication will inspire you to be part of this movement to find new ways of making London even more extraordinary.

An evaluation and overview of crowdfund London was published as a report and associated film in March 2021. They can be accessed at:

<https://www.london.gov.uk/what-we-do/regeneration/funding-opportunities/make-london/impact-community-crowdfunding>

Anchor institutions

Anchor institutions are entities, often public-sector but also substantial private sector bodies, which by virtue of their function and/or asset base are anchored in the area. Typical examples are councils, educational institutions, hospitals, transportation networks, ports, philanthropic foundations especially ones with an attachment to place (in New Zealand community foundations, community trusts) and major private firms (in New Zealand, major timber processors, dairy factories with a substantial capital investment on-site and freezing works are examples).

The concept of an anchor institutions strategy is that major local institutions have both a self-interest and a public interest in carrying out their activities in ways which enhance the social, economic, cultural and environmental outcomes of the communities in which they are based.

What is often cited as an exemplar of the anchor institutions approach is the Greater Cleveland University Circle Initiative. Initial partners, brought together **by the Cleveland community foundation (the world's first community foundation and one of the largest)** included Case Western Reserve University, Cleveland

Clinic, University Hospitals, the Greater Cleveland Regional Transit Authority and the City of Cleveland. Their immediate motivation was that a number of them were located within the area known as the Greater University Circle which, partly as a result of deindustrialisation, had become an extremely rundown and depressed area. Potential staff and students were avoiding institutions placing their activities at significant risk.

The Initiative's story is told in a 2013 report, Cleveland's Greater University Circle Initiative: building a 21st-century city through the power of Anchor Institutions Collaboration which can be accessed at:

<https://community-wealth.org/sites/clone.communitywealth.org/files/downloads/Cleveland%27s%20Greater%20University%20Circle%20Anchor%20Initiative.%20Case%20Study.pdf>

It details a number of different initiatives. One which may be of particular interest, especially in relation to the Maori economy, is the development of a number of cooperatives to service hospital needs - laundry services, growing fresh produce. In developing what are known as the Evergreen cooperatives, the initiative has drawn on advice from the Mondragon cooperatives, almost **certainly the world's leading network of employee owned cooperatives.**

The anchor institution approach is now gaining significant momentum in England as an alternative approach to economic development. Typically conventional economic development builds on the strengths of already strong components within the local economy. This can be counter-productive if the primary objective of economic development is improving employment opportunities and reducing inequality as the tendency is for the main benefits of development to accrue to those who already own promising local assets or businesses.

A number of UK, especially English, councils are in the process of implementing anchor institutions strategies under the umbrella of community wealth-building. The English exemplar is the Preston City Council, and the best source of **information on what it has been doing is the council's own website section on community-wealth building** which is:

<https://www.preston.gov.uk/article/1334/Community-Wealth-Building>

The webpage includes this list of what the council regards as its important achievements:

- **Increased procurement spend in the local economy and encouraged other local public sector partners (or 'anchors') to do the same.**
- **Encouraged suppliers to add to the 'social value' of their contracts by providing training and employment opportunities.**
- **Become the first local authority in the north of England to be accredited by the Real Living Wage Foundation, and has encouraged many other employers in the city to do the same.**
- **Ensured that extending local employment, apprenticeship and training opportunities is central to the City Deal and integrated within its own planning process.**

- **Supported greater diversity of ownership in the local economy by:** investing directly in key assets in the centre of the city; bringing services back in-house and promoting worker cooperatives and community businesses.
- **Encouraged more financial wealth** to be retained locally by contributing to the establishment of a regional development bank and encouraging the Lancashire County Pension Fund to invest in the city.

What the council has been seeking to do is to orient its activities and those of its anchor partners to enabling a strong local economy based on the growth of small and medium enterprises. This has included developing its own skill base for assisting the development of new businesses (it has a strategic alliance with Mondragon) and focusing on enabling local sources of finance. It is one of a number of councils in England which have been working on the establishment of regional banks.

Much of this activity is a strong reaction against the leakage of revenue out of local and regional economies as the consequence of economic policies which have preferenced outsourcing services to large-scale enterprises based solely on the cost of provision, an approach which has resulted in significant damage to local economies as local businesses have been unable to compete (experience **has shown that too often the 'competitive advantage' of the outsourcing** business lay in cutting corners to the detriment of the expected quality of service. Addressing this problem is another argument councils will use in favour of developing the local economy).

Throughout Preston's development of its anchor institutions strategy, the council's strategy has been led by Matthew Brown, the council leader, and supported by Matthew Baqueriza-Jackson, who has worked for a number of years as a specialist adviser on social procurement and anchor institutions both within the UK and for the European Union. The local government think Tank has a standing offer from Matthew Baqueriza-Jackson to organise a webinar in which he and Matthew Brown would present on the Preston experience and lessons for New Zealand (Matthew is familiar with New Zealand having visited here on a number of occasions).

SHIFTING LANDSCAPES COMMUNITY NEEDS ANALYSIS REPORT





SHIFTING LANDSCAPES COMMUNITY NEEDS ANALYSIS REPORT

Eight Waikato Councils commissioned Co-Lab to lead a project in response to the local government reforms signalled by central government.

VILLA



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PROJECT SNAPSHOT

The Community Needs Analysis (CNA) project is a response by eight Waikato Councils to local government reforms signalled as part of central government's Future for Local Government Review.

The project initially sought to help councils by jointly establishing criteria that defined the services councils believe they should deliver to their communities, and what services they believe should be delivered by other means. The precursor to this report is the Shifting Landscapes Project (SL), completed in early 2021 (Appendix 2).

The key deliverable of the CNA project is this report. It contains evidenced-

based qualitative data to inform council submissions to the review. It is based on an analysis of project delivery and business as usual experiences of the participating councils. This report will assist councils as they prepare their own responses to central government on the Future for Local Government Review. It also develops a compelling platform for the future for local government.

While opinions have generally been avoided in this report, where pertinent, comments from working party members have been included in quotation marks throughout the document.

EIGHT WAIKATO COUNCILS
COMMISSIONED CO-LAB TO
LEAD A PROJECT IN RESPONSE
TO THE LOCAL GOVERNMENT
REFORMS SIGNALLED BY
CENTRAL GOVERNMENT.

INTRODUCTION

The traditional roles and functions of local government in New Zealand are changing. Over the next 30 years New Zealand will grow considerably.

The future will see larger and more diverse populations, and technology will change the way we live and work. Challenges like climate change will require our communities to adapt, reshaping our economy and our lives, and our Treaty of Waitangi (Te Tiriti o Waitangi) partnership will move into a phase of enduring and mutually beneficial relationships.

A suite of local government reform programmes is currently on the table, from overhauling the delivery of three waters to transforming resource management, the results of which will also reshape our system of local government.

The Future for Local Government Review is an opportunity to create a new system of local governance and democracy that will effectively respond to a changing New Zealand and create opportunities for our communities to thrive. It's overarching purpose is to determine how councils will evolve over the next 30 years to improve

the wellbeing of New Zealanders and the environment, and actively embody our Te Tiriti o Waitangi partnership.

The Future for Local Government Review provides an opportunity to rethink local governance for the future and allows us to look beyond the current fixed structures and roles.

A panel of five are conducting the review in three stages involving engagement with local and central government, iwi, the business sector, community organisations, young people, and the wider public.

THE FUTURE FOR LOCAL GOVERNMENT REVIEW PROVIDES AN OPPORTUNITY TO RETHINK LOCAL GOVERNANCE FOR THE FUTURE AND ALLOWS US TO LOOK BEYOND THE CURRENT FIXED STRUCTURES AND ROLES.

THE REVIEW PROCESS

2021

Early soundings

This first stage has involved initial scoping and early engagement with some (mainly local government) organisations to help take a future-focused look at the local governance system and identify priority questions and lines of inquiry. The interim report reflects the results of that work, and signals the broad lines of inquiry for the next stage.

2022

Broader engagement

The next stage of the review will involve a broader public engagement about the future of local governance and democracy in New Zealand, alongside research and policy development. After completing that work, the panel will report to the Minister of Local Government with draft findings and recommendations. Under the terms of reference, that report is due by 30 September 2022.

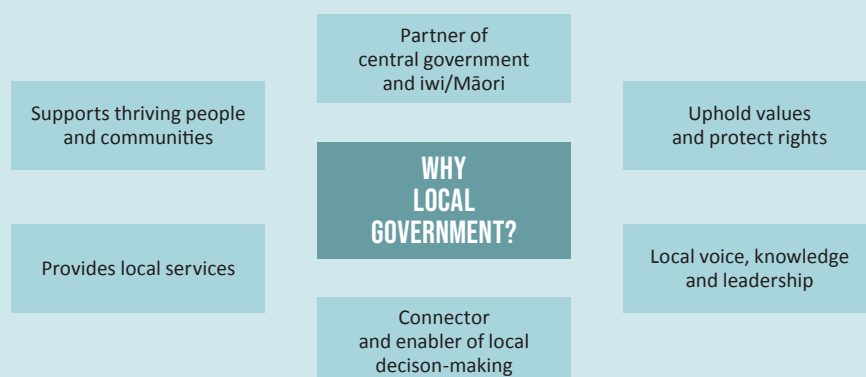
2023

Formal consultation and final report

The third stage will involve formal consultation about the draft recommendations. The panel will consider public submissions, before they deliver their final report in April 2023.

WHY LOCAL GOVERNMENT?

The Future for Local Government Review Panel have identified six important roles that local government plays that are critical to the fabric of society in Aotearoa New Zealand.



The panel has also identified five 'key shifts' to local governance which will be needed to meet the future needs of Aotearoa New Zealand. These shifts are:

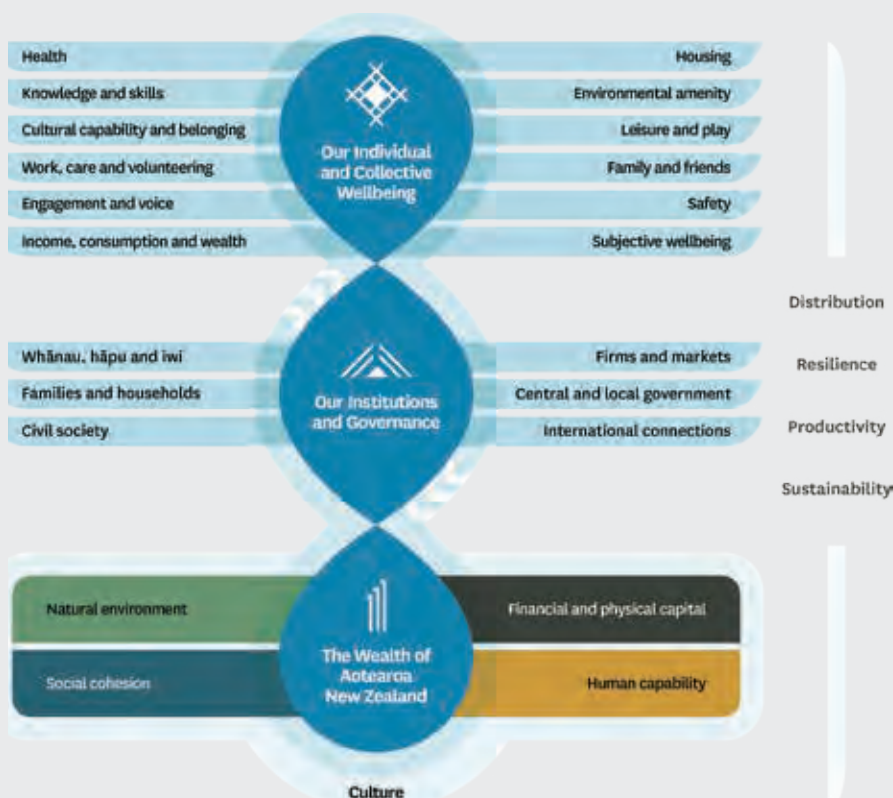
- 1 Strengthened local democracy
- 2 Stronger focus on wellbeing
- 3 Authentic relationship with Hapū/Iwi/Māori
- 4 Genuine partnership between central government and local government
- 5 More equitable funding

WELLBEING

Wellbeing underpins the review and the panel want to understand how local government can better promote social, economic, environmental, and cultural wellbeing in local communities.

There are multiple dimensions to individual and collective wellbeing however, and local government does not have control over all the factors that create wellbeing and prosperity as illustrated in the New Zealand Treasury's Living Standards Framework.

Figure 1. The Treasury's Living Standards Framework – October 2021



In its interim report the panel identifies the following challenges to local wellbeing:

- Climate change
- Environmental degradation
- Economic performance
- Poverty and inequity
- Housing
- Health
- Mental wellbeing

"FUTURE RESPONSES WILL REQUIRE NEW APPROACHES THAT BRING TOGETHER THE MANY ORGANISATIONS THAT CONTRIBUTE TO LOCAL WELLBEING, TO ALIGN AND COORDINATE THEIR RESPONSES TO WELLBEING ISSUES." (INTERIM REPORT. P23)

BACKGROUND

In September 2021 the Future for Local Government Review issued an interim report, *Ārewa ake te Kaupapa – Raising the platform*. The report detailed five priority questions to be addressed as part of the review.

1.

How should the system of local governance be reshaped so it can adapt to future challenges and enable communities to thrive?

4.

What needs to change so local government and its leaders can best reflect and respond to the communities they serve?

2.

What are the future functions, roles and essential features of New Zealand's system of local government?

5.

What should change in local governance funding and financing to ensure viability and sustainability, fairness and equity, and maximum wellbeing?

3.

How might a system of local governance embody authentic partnership under Te Tiriti o Waitangi, creating conditions for shared prosperity and wellbeing?

This report categorises the findings of the Community Needs Analysis project according to the five priority questions asked by the Future for Local Government Review panel.

It contains qualitative data, based on case studies and experiences from the participating councils, and it is designed to help inform council submissions to the Future for Local Government Review.

The five priority questions are presented

throughout this report followed by relevant case studies and experiences provided by the participating councils. Each section starts with a summary of lessons learned from these experiences

This work constitutes only part of the information that councils will rely on when making their submissions to the Future for Local Government Review. Other work, such as academic research, is also being completed and with that in mind this project has limited its analysis

to illustrations of what has, and has not, worked well.

While it is recognised that it may be distributed further, the intended recipients of the report are the elected representatives and senior staff of the participating councils.

In completing this work, Co-Lab has relied on information provided by each participating council through their nominated subject matter expert.



COMMUNITY NEEDS

The way local authorities define their communities' long-term goals and priorities is evolving with a growing recognition that successful local governance requires a common vision – or 'Golden Thread'.

In the past, Long-Term Council Community Plans (LTCCPs) set out community outcomes and the steps intended to achieve them. While the LTCCP process traditionally involved extensive community consultation, including residents and ratepayers' surveys and community forums, it was recognised that the desired community outcomes were often too broad for local government to deliver alone.

Since 2010, LTCCPs have given way to including community outcomes in councils' Long-Term Plans (LTPs). It is still recognised that a common vision or Golden Thread is needed to connect communities, local government, central government, and the private sector to fully unlock community wellbeing and ensure sustainable development.

Ideally this Golden Thread would align local government and central government

"OUR COMMUNITIES DO NOT EASILY DIFFERENTIATE BETWEEN CENTRAL, REGIONAL AND LOCAL GOVERNMENTS AND WHO IS DELIVERING THE SERVICE – AND THEY SHOULDN'T HAVE TO. THERE SHOULD BE A CO-ORDINATED PLACE-BASED APPROACH, NOT A BLAME GAME IF SOMETHING IS DELIVERED POORLY."

on national strategies for important issues such as housing and tourism and improve how local authorities connect with and contribute to national initiatives.

PUBLIC SERVICES CAN BE DELIVERED THROUGH A COORDINATED PLACE-BASED APPROACH USING COLLABORATIVE PARTNERSHIPS BETWEEN CENTRAL GOVERNMENT, LOCAL GOVERNMENT, THE PRIVATE SECTOR AND COMMUNITY ORGANISATIONS.

SAMPLE OF WAIKATO COUNCILS' COMMUNITY OUTCOMES





WEAVING WELLBEING INTO STRATEGY

Hauraki District Council's Manaaki Toiora strategy sets out the holistic approach the Council will take alongside their communities and stakeholders to positively influence the wellbeing of the district's communities. The strategy identifies the Council's five priority areas, and associated actions, for the next ten years.

It reflects the community aspirations expressed during the development of the 2021-31 Long Term Plan and incorporates key concerns raised by 'Better Future Hauraki', the local forum of social services, schools, and community organisations. It also recognises that with a greater mandate and more funding the Council could do more in collaboration with this local forum to improve community wellbeing.

MEASURING LOCAL GOVERNMENT'S IMPACT ON COMMUNITY WELLBEING

The work of local government can have a significant impact on community wellbeing, but this impact is difficult to define and measure because of the complex environment involving multiple players.

Central government, local government, the private sector, and community organisations all influence community wellbeing simultaneously. With that in mind, Hamilton City Council (HCC) developed an interactive online reporting tool, Building Hamilton's Wellbeing Together, that sets out the city's wellbeing story.

The interactive tool, using dashboards and maps, shows the current situation, what HCC is doing and what other activities, outside of the control of council, support an improvement in wellbeing.

The report focuses on five key wellbeing priority areas, identified as important to the Hamilton community, and measures the direction travelled towards improving

community wellbeing rather than setting defined performance targets.

The report is updated annually alongside the HCC Annual Report and the five priorities and wellbeing outcomes provide a common language underpinning the rationale for HCC's projects, strategies and plans, including its Long-Term Plan.

The five priorities for Hamilton are:

1. **A city that's easy to live in.**
2. **A city where our people thrive.**
3. **A central city where people love to be.**
4. **A fun city with lots to do.**
5. **A green city.**

Focusing on this ensures every service, facility and project has a connection to improving the wellbeing of Hamiltonians, and community wellbeing is routinely addressed in activity management plans, business cases and council reports.

The biggest challenge in developing the tool was obtaining local level datasets within the HCC territorial boundary. While central government departments such as the Police and the Waikato District Health Board have useful data, the information is collated by the boundaries used by the respective organisation. This misalignment limits the effectiveness of combining data to report on wellbeing.

COMMUNITY SPECIFIC WELLBEING OUTCOMES SHOULD INFORM COUNCILS' WORK PLANS.

The key steps taken to build the tool included:

- A review of wellbeing frameworks such as Treasury's Living Standards Framework, the Sustainable Development Goals (United Nations), and Waikato Wellbeing Targets (Waikato Wellbeing Project).
- Community engagement surveys with broad questions such as 'what would make Hamilton even better' and 'what do you like about HCC'.
- Using survey responses, the 'Our Vision for Hamilton' document was developed. This sets out five long term priorities for Hamilton over the next decade and, within each priority, what HCC will focus on to improve community wellbeing.
- Sourcing data from multiple sources, such as Waikato Regional Council, Sport Waikato, and Creative Waikato to develop the wellbeing report.

Given that HCC cannot control all the factors that influence the wellbeing indicators, the resulting report simply assesses whether the key metrics are trending in the desired direction.

MEASURING PROGRESS IN ACHIEVING COMMUNITY OUTCOMES IS HAMPERED BY INCONSISTENT DATASET BOUNDARIES.

REGIONAL AND SUBREGIONAL COLLABORATIVE RELATIONSHIPS

The Waikato is New Zealand's fourth largest region stretching from the Bombay Hills and Port Waikato in the north, to the Kaimai Ranges and Mt Ruapehu in the south, and from Mokau on the west coast across to the Coromandel Peninsula in the east.

The region includes 12 local authorities and is home to nearly 10 percent of New Zealand's total population. Residents regularly pass through more than two local authority borders in a day for work, education, recreation and shopping.

With a view to improving social, cultural, environmental, and economic wellbeing, Waikato's local authorities regularly collaborate through a web of networks, working groups, and partnerships. The collaborative relationships create synergies, help navigate complex intersecting issues, provide a platform for a united voice to central government on priority issues and create efficiencies in how they deliver services to the region's communities.

These collaborative relationships also meet common community needs that are not defined by location. The partnerships that have been created bring stakeholders together in robust yet flexible structures with mechanisms to help navigate towards collective solutions.

This section outlines some of these key relationships.

**THERE ARE EXTENSIVE
COLLABORATIONS IN PLACE
BETWEEN WAIKATO COUNCILS
AND CENTRAL GOVERNMENT
AGENCIES, IWI, AND OTHER
ORGANISATIONS THAT DELIVER TO
COMMUNITY NEEDS.**



FUTURE PROOF

Future Proof coordinates and aligns the planning needed to respond collectively to growth in Hamilton City and the Waipa and Waikato Districts. Established in 2007, in addition to Hamilton, Waipā and Waikato councils, participants also include Waikato Regional Council, Ngā Karu Atua o te Waka, Waikato-Tainui, Tainui Waka Alliance, Waka Kotahi NZ Transport Agency, and Waikato District Health Board. The partnership was expanded in 2019 as a result of the government's Urban Growth Programme to include central government, the Mana Whenua Kaitiaki Forum and Auckland Council.

Future Proof allows all these organisations to speak with one voice, plan together, and work in a 'boundaryless' fashion to increase community and central government confidence. Ultimately, this approach facilitated the long-term investment in the Waikato Expressway.

The partnership's vision was rebooted ahead of the completion of the Waikato Expressway in 2022 and now encompasses how the region should develop into the future with a commitment to improving environmental, social, cultural, and economic wellbeing.

Recent key achievements and developments include:

- Planning expanded to focus on the Hamilton to Auckland and Tauranga corridors as part of a 30-year priority plan for the development of growth areas.
- Matamata-Piako District Council, a district integral to the movement of freight and people to and from Tauranga, joined the partnership.
- A Metro Spatial Plan considering integrated land use, including water, wastewater, and rail, that transcends council boundaries.
- Collective submissions to the Housing Enablement Bill.
- Progressed business cases on three

"YOU CAN'T TAKE A NATIONAL APPROACH TO LOCALISED CHALLENGES OR PROBLEMS. FUTURE PROOF IS A VERY DEFINED SUB-REGION OF THE WAIKATO REGION. FUTURE PROOF WOULD NOT WORK FOR ALL OF THE WAIKATO BECAUSE WE ARE TOO DIFFERENT."

A ONE SIZE FITS ALL MODEL ACROSS THE COUNTRY OR REGION WILL NOT WORK. "YOU HAVE TO HAVE THE FLEXIBILITY TO DESIGN SOLUTIONS THAT WORK AT THE LOCALISED OR SUB-REGIONAL AREA WHERE YOU FIND COMMON NEEDS AND CHALLENGES AND RESPOND TO THEM TOGETHER"

waters and is working towards collective decisions on the location of future wastewater treatment plants.

- Providing the structure for conversations about shared regional community facilities including recreation centers, pools, and stadiums that all the region's residents can use.

While Future Proof is a joint committee of all the partners, final jurisdiction sits with the individual members. Market forces and tensions at the individual council level can put pressure on the ability of the partnership to achieve its goals. To mitigate this risk more rigidity is going into the strategy with a greater use of principles to justify variation from the strategy.

Future Proof is a deliberate partnership that needs focus and effort at a governance, executive and technical level with the right players at the table.

REGIONAL LEADERSHIP GROUP

The Waikato Regional Leadership Group leads the social and economic recovery from Covid-19. It provides regional governance supporting community resurgence planning including welfare, recovery and response activities. Led by the Ministry of Social Development, it includes government agencies, emergency management, Waikato District Health Board, iwi (Waikato-Tainui, Raukawa, Maniapoto, Hauraki, Tūwharetoa) and Pasifika representatives. Local government is represented by the Chief Executives of Waikato District Council, Hauraki District Council and Waitomo District Council.

The group ensures there is a regional plan catering to different communities and supporting the distribution of key messages and aid to community networks.



WAIKATO MAYORAL FORUM

Established in 2012, the Waikato Mayoral Forum works to achieve benefits for the region through greater Council co-operation. The forum is comprised of mayors and the regional council chair and enables Waikato to speak to central government about priority issues with one powerful voice. For example, at a two-day hui held in early 2020 the forum prioritised a work plan including housing, three waters, aligning transport priorities, the regional planning framework and iwi co-governance.

WAIKATO PLAN

The Waikato Plan was born at the Waikato Mayoral Forum. It sets the region's course for the next 30 years, identifying issues and opportunities. It is governed by a leadership committee including local government representatives, iwi, government agencies and business and community representatives. The plan enabled the formation of Te Waka, and completed a housing stocktake. In 2020 it adopted four priority workstreams: youth training and employment, climate change, the Waikato Housing Initiative, and community connectivity.

TE WAKA

Te Waka drives economic growth in the Waikato. Established in 2018, its objectives are to lift economic performance across the region and attract, retain, and grow investment, talent and business in the Waikato. It also leads the region's collective voices for economic and business needs and opportunities.

Te Waka is funded by businesses, regional trusts, central government and 10 council partners. It delivers the government's Regional Business Partner network, coordinates the Business Mentors NZ program for the region and connects businesses with the Callaghan Innovation Fund.



CO-LAB

Co-Lab, established in 2005, is owned in equal portion by the 12 Waikato councils.

The company has two fundamental roles:

1. A laboratory for developing opportunities that create value to councils, by improving the experience of their communities and making the councils themselves, collectively, more efficient and effective.
2. Providing services to councils.

CO-LAB'S VISION

Our councils are maximising the value they provide to their communities

CO-LAB'S PURPOSE

We support them in doing so by making it easier for councils to identify and realise shared opportunities

OUTCOMES CO-LAB SEEKS

Council costs are reduced / performance is improved, without increased cost

The experiences of councils' communities are improved

Central government investment into and engagement with Waikato councils is increased

REGIONAL TOURISM ORGANISATIONS

Regional Tourism Organisations (RTOs) manage tourism, its opportunities and impacts and market local destinations to support sustainable growth in tourism income. Two of the RTOs in the Waikato region were formed through the collaboration between local authorities who provide ongoing funding:

- Destination Coromandel – Thames-Coromandel District Council and Hauraki District Council
- Hamilton and Waikato Tourism – Hamilton City Council, Waipā District Council, Waikato District Council, Waitomo District Council, Otorohanga District Council, and Matamata-Piako District Council.

These collaborations recognise the synergies of the tourism assets in their areas and seek to maximise the benefits from them.

SOUTHERN LINKS

Southern Links is a transport network of state highway and arterial routes linking State Highway 1 in Hamilton to the Waikato Expressway and State Highway 3 from Hamilton Airport to central and east Hamilton. This network includes a bridge over the Waikato River and will support growth in the Peacocke, Tamahere and Hamilton Airport areas.

Waka Kotahi and Hamilton City Council have collaborated closely to plan this initiative. Resource consent for the bridges has been obtained from Waikato Regional Council and appropriate designations have been included in the Waipā District Plan and Waikato District Plan.

WAIKATO REGIONAL ACTIVE SPACES PLAN

The Waikato Regional Active Spaces Plan provides a strategic framework for play, recreation and sports facilities, and places and spaces across the Waikato region. It includes a stocktake of facilities, population projections and direction on what should and should not be done, given the patterns and types of participation, as well as the financial cost to individuals and the sector.

The plan is led by Sport Waikato and includes involvement from four local government Chief Executives (Matamata-Piako District Council, Waipā District Council, Hamilton City Council and Waikato District Council), Sport NZ and iwi. Consideration is now being given to incorporating a representative from the philanthropic sector.

TE AWA WALK AND CYCLEWAY

The Te Awa Walk and Cycleway follows the Waikato River from Ngāruawāhia to Karapiro. It has been developed in partnership with Waka Kotahi, Hamilton City Council, Waipā District Council, Waikato Regional Council, Waikato District Council, the private sector, philanthropic funders and gaming charities.

The walk and cycleway is used by commuters and recreational users. It supports the economy through tourism and events, provides access to the Waikato River for initiatives to clean and protect the river and it protects wāhi tapu to promote the cultural, spiritual and historic relationship with the river.



“FLEXIBLE STRUCTURES ARE NEEDED SO THAT LOCAL, SUB-REGIONAL, REGIONAL, AND NATIONAL PARTNERS CAN RESPOND TO COMMON CHALLENGES IN A BOUNDARYLESS FASHION”

PRIORITY QUESTION 1:

THE SHAPE OF LOCAL GOVERNANCE

How should the system of local governance be reshaped so it can adapt to future challenges and enable communities to thrive?

“In any place or community, local governance can involve many decision-makers including central government, local authorities, iwi, hapū and Māori organisations, business and community organisations, and others.”

Ārewa ake te Kaupapa – Raising the platform. Interim report (P6)

KEY TAKEAWAYS

Representative democracy is not a substitute for strong ongoing community engagement. Central government agencies operating in silos create barriers to addressing community needs.

Local government plays a role in facilitating open communication and helping stakeholders understand local community needs.

While experience suggests councils' plans and aspirations usually need to align with central government priorities to receive their funding, by listening to councils who champion their communities' needs the impact of central government funding can be maximised.

By collaborating, stakeholders, including local government, central government agencies, iwi, health boards, private sector, and community organisations, can improve the collective response to community needs, including through the co-location of services.

This collaboration, backed by strong communication plans, foster community support for projects and provide opportunities for feedback as projects proceed at pace when formal consultation is not required by law.

Community panels involving people with experience or interest in a specific topic can be established to represent the community in considering an issue or project. They:

- Bring personal experiences and local knowledge to the table;
- Provide another avenue for communicating with the broader community;
- Encourage greater feedback from the community;
- Increase the value of the project to the community and the likelihood of its success.

Compensation for panel members can recognise the personal time invested in lengthy projects.

THE FOLLOWING EXAMPLES HIGHLIGHT RELEVANT WAIKATO EXPERIENCES.



UNDERSTANDING COMMUNITY ASPIRATIONS THROUGH COMMUNITY ENGAGEMENT

WHAREKAWA COAST 2120 PROJECT

The Wharekawa Coast 2120 project is developing a 100-year plan to provide for a resilient and prosperous future for coastal communities, while addressing inherent natural hazards. It was established to consider a wide range of issues facing the communities in the Wharekawa coastal area, following rainfall and flooding events in 2017 and 2018.

Representatives of Ngāti Pāoa, Ngāti Whanaunga, Hauraki District Council, Waikato Regional Council, and Waikato District Council provide governance, and assistance is given by a technical advisory group. Key to the project is a community panel that considers a range of issues informing the shape, content, and direction of the plan. This panel is comprised of residents, bach owners, mana whenua, business owners,

emergency management, rural support, and Waka Kotahi.

It took time for the project to arrive at a good working model that included project governance, the technical group, and the community panel. It was important to involve elected members from the partner councils with an interest or expertise in climate change irrespective of their constituency. The technical group and community panel were also comprised of people who had the time and expertise to make a meaningful contribution. Of equal importance was the success in establishing good lines of communication between the three groups. Now that this model is working well, it can be used in other projects.

The community panel members bring their own experiences, expertise, and vital local knowledge to the project. They provide regular updates to the community and encourage people to discuss their concerns and ideas with them. It has been observed that community panel members

“IT IS CRITICAL FOR ANY REFORM PROCESS TO ACKNOWLEDGE THE INCREASING COMPLEXITY OF BEING A LOCAL GOVERNMENT REPRESENTATIVE AND THE INCREASING AMOUNT OF TIME REQUIRED.”

are not aware of, or concerned with, which councils’ role a task is, rather they simply want to see the problem solved.

The first iteration of the plan is being drafted, and once adopted the community panel will transition to a monitoring role. While the community panel members have appreciated being actively involved in the development of the plan, and can choose to be compensated for attending meetings, some are becoming fatigued with the length of the project and the time involved. This model also takes a lot of staff time and resources for the councils involved.

A COMMUNITY PANEL ENSURES THAT LOCAL KNOWLEDGE AND ASPIRATIONS ARE EMBEDDED IN THE 100-YEAR PLAN TO RESPOND TO NATURAL HAZARD RISKS





TAUPŌ TOWN CENTRE UPGRADE

The Taupō Town Centre upgrade project relied on historical community consultation when funding was received from the Crown Infrastructure Fund for COVID-19 recovery “shovel ready” projects. The funding enabled the project to proceed at pace without many of the processes that slow down delivery including extensive consultation which was not required under the Local Government Act as the project is not ratepayer funded.

Although consultation had already been done some years prior, the council did carry out a strong communication and engagement plan which included public meetings and a project working group comprised of elected members, along with regular communications. In many cases, the conversations improved the project.

THE IMPACT OF DELAYED COMMUNITY CONSULTATION

In contrast, significant delays have occurred in projects where a council progressed two initiatives to improve a public facility and a streetscape to the design phase, before consulting with the wider community. In both cases the community rejected the plans presented to them, resulting in extra costs and delay in delivering the projects. The process caused local communities to lose trust in the council and the relationship was marred by frustration for both parties. More inclusive work with the community was undertaken to better determine community needs as the projects, now community-led rather than staff or councillor led, have been reset. These examples also illustrate that representative democracy is not a substitute for broader community engagement as elected members do not always know what their communities want.

INEQUITABLE DISTRIBUTION OF THE COVID-19 RECOVERY PACKAGE

While northern Waikato towns were included in the Auckland alert level boundary area during the August to December 2021 COVID-19 lockdown, they were excluded from the central government package to help revive economic, social, and cultural activity and provide relief to those in hardship.

Central government did not consult with Northern Waikato communities about the impact of the lockdown and the support needed to aid their recovery. Waikato District Council only became aware of the package when it was announced to the public. The Mayor has written to the responsible ministers to request assistance for northern Waikato but has not yet received a response. The inequitable package has unfairly disadvantaged northern Waikato communities and left them feeling disgruntled and ignored.

"INSTEAD OF TELLING PEOPLE WHAT YOU THINK THE ISSUE IS, WORKSHOP WITH THE COMMUNITY FIRST AND ASK WHAT THEY THINK THE ISSUES ARE."

COLLABORATION BETWEEN CENTRAL GOVERNMENT AND LOCAL GOVERNMENT

TE AKA MAURI LIBRARY AND CHILDREN'S HEALTH HUB

Te Aka Mauri is a ground-breaking health and wellbeing project delivered collaboratively by Rotorua Lakes Council (RLC) and Lakes District Health Board (LDHB). The collaboration stemmed from central government's decision in 2014 to fund an integrated child health facility in Rotorua and also addressed RLC's need to upgrade the city library. The success of the project is celebrated in it winning the 2018 LGNZ Excellence Award for Service Delivery and Asset Management. It was also joint winner of the Judges' Choice Award for Performance Excellence and Community Outcomes.

The health facility replaced the child health services delivered at multiple locations around the district which suffered from poor attendance rates. The DHB wanted to create a centrally accessible non-hospital environment for whānau and children. In addition to lagging in best practice standards, the library had watertight issues and needed earthquake strengthening.

Aware of the LDHB's objectives through local governance networks, the RLC Mayor initiated discussions around co-location options. For LDHB, co-location with the library had the advantages of being a familiar non-threatening space for families

to visit. It is also situated in the central business district, adjacent to both the main business hub and a park in which a play area could be developed. LDHB agreed to be anchor tenant in the refurbished library building and a very successful collaborative relationship was formed.

It was important to the Council to deliver 'tomorrow's library today.' There was a strong emphasis on delivering digital programmes alongside the traditional services libraries offer. The facility has become a community hub and to encourage collaboration, library and DHB staff share common spaces. There is now a police youth team working out of the building and over 30 services operate drop-in support from the building. The LDHB report that there are now very few appointments missed.

**"THIS PROJECT IS A TOUCH OF
BRILLIANCE, AND WE CAN ONLY
HOPE THAT OTHER AREAS OF THE
COUNTRY WILL FOLLOW YOUR LEAD."**



SOCIAL SUPPORT IN WAIPĀ

In the 1990s, Waipā District Council established a Health and Wellbeing Coordinator Committee to coordinate the multiple agencies working with whānau with high needs. These agencies included the police, health care organisations, housing providers, youth aid services and the Department of Social Welfare. Often the 'high needs' households came to the council's attention through frequent neighborhood complaints. The lack of affordable housing also contributed to the issues, with the high cost being a major barrier to financial independence and security. Housing issues were compounded during this period as central government removed access to low interest rates and income related rents and implemented policies resulting in the council no longer investing in pensioner housing.

While working to improve community wellbeing through the coordinator committee, council often took on the role of financial advisor, working with the other agencies to get struggling families into decent housing and address other social issues. While addressing a community issue, this holistic function does not fall under the core responsibilities of councils and became too big to manage. Keen to see the initiative continue, the Mayor and Chief Executive pitched it to senior central government politicians who rejected it. Accordingly, the Council had no option but to stop the service. Since then, the lack of consistent central government policy and planning around housing has continued to exacerbate this issue.

EMERGENCY HOUSING IN ROTORUA

Rotorua Lakes Council (RLC) was concerned about a growing housing crisis in the district caused by accelerating house prices, rents and people in emergency housing. In addition, the projected population increase was expected to outstrip the housing stock, an issue compounded by investors turning long term rentals into holiday accommodation.

RLC, in partnership with iwi, worked with central government to develop the 'Homes and Thriving Communities Strategy' detailing community aspirations. Once complete, central government agencies were reluctant to implement any of the actions, preferring instead to adhere to national delivery mechanisms and regional leadership direction, even though Rotorua has a unique set of challenges compared to the rest of the Bay of Plenty and the country.

RLC engaged central government politicians with evidence around not just the emergency housing issue, but the poor social outcomes resulting from motels being used as emergency housing through a voucher system with no wrap around support. A Housing Taskforce steering group was established comprising RLC, iwi, Ministry of Housing and Urban Development and Kāinga Ora. It also included stakeholders from the Ministry for Social Development (MSD), police and community NGOs. Senior central government officials went to Rotorua and worked with the other stakeholders in a face-to-face setting in accordance with a timeline set by the Minister for Housing and Urban Development.

Despite this cross-governmental taskforce, ministries still worked in silos and there was opposition to recommendations that did not comply with the respective ministries' policies. As solutions were investigated the 'Rotorua Pilot' was introduced whereby the Ministry of Housing and Urban Development fully contracted 14 motels as emergency accommodation for families. As a result, families are no longer living in complexes next to people who might put their safety at risk.

The relationships developed are one of the key benefits of developing the strategy document and working with central government officials on the emergency housing taskforce. This has helped officials to understand the Rotorua context and has informed business as usual activities.

**"BE PREPARED TO ASK
QUESTIONS ABOUT HOW WIDER
OUTCOMES CAN BE ACHIEVED BY
WORKING ACROSS SILOS."**





HUNTLY RAILWAY STATION

A partnership between Waikato District Council, Waikato Regional Council, Hamilton City Council, mana whenua, Ministry of Transport, Waka Kotahi and KiwiRail has seen the upgrade of a platform and establishment of a park and ride facility at Huntly. This infrastructure

has enabled the Te Huia, Hamilton to Auckland, rail service to stop at Huntly, with a station building being developed. Unaffordable for ratepayers, this facility was largely funded by central government (Waka Kotahi).

This key infrastructure has galvanised the

community as they plan and implement programmes and projects for the growth and development of the town. Kāinga Ora has identified Huntly as a priority housing development area and the train station will be leveraged to support urban design and planning outcomes.

HERITAGE MANAGEMENT IN WAIPĀ DISTRICT

Over time some responsibilities for heritage management have shifted from central government to councils under the Resource Management Act and the Heritage NZ Act. Waipā District Council has identified and mapped sites of significance and worked with central government funding to identify taonga on the beds of the district's peat lakes, conduct research on its protection and complete riparian planting around the lakes. The Council has been less successful however, in obtaining buy in from central government to expand its work in telling the New Zealand land war stories through Te Ara Wai – self guided tours of culturally significant sites – even though this aspect of heritage management aligns perfectly with central government's core responsibilities.

It can be argued that irrespective of plans developed with their communities, council priorities must align with central government priorities for funding to be granted.

"ONE OF THE CHALLENGES THAT GOVERNMENT AT THE NATIONAL LEVEL FACES WHEN DELIVERING OR COMMISSIONING SERVICES IS HOW TO AVOID 'SILOS' AND ENSURE THAT SERVICES AT THE LOCAL LEVEL ARE INTEGRATED. A 'PLACE-BASED' APPROACH PUTS A HORIZONTAL LENS ACROSS VARIOUS SERVICES IN A LOCAL AREA."



PRIORITY QUESTION 2:

FUNCTIONS, ROLES AND FEATURES OF LOCAL GOVERNMENT

What are the future functions, roles and essential features of New Zealand's system of local government?

"In practice, most issues are likely to require a mix of national, sub-national and local or community action, and the challenge will therefore be to allocate responsibilities in ways that take advantage of inherent strengths, while also ensuring alignment and collaboration across the whole system."

Ārewa ake te Kaupapa – Raising the platform. Interim report (P48)

KEY TAKEAWAYS

Local government can be the gateway through which national initiatives improve their effectiveness by being tailored to local community needs.

Councils empower grass-root organisations to establish and maintain placemaking projects that improve community wellbeing by contributing:

- Specialist skills
- Funding
- Expertise to apply for third party funds
- Links to community leaders.

Cross-council shared service models also gives councils of all sizes access to specialist technical skills and fosters innovative, resilient, effective and efficient delivery of services. Shared services can be undertaken by council-controlled organisations (CCO's), engaging third party providers or by forming cross-council working parties.

Currently, accessing the funds required to meet communities' needs is a critical issue facing local government. The short nature of electoral terms and budgetary processes is inconsistent with the long-term commitments required to deliver many local government services.

Central government's focus on nationally significant projects can also result in missed opportunities for collaboration with local government and community organisations to deliver regional and locally significant projects.

THE FOLLOWING EXAMPLES HIGHLIGHT RELEVANT WAIKATO EXPERIENCES.



ENGAGING EXTERNAL PARTNERS FOR SERVICE DELIVERY

RATA – REGIONAL ASSET TECHNICAL ACCORD

The Waikato Regional Asset Technical Accord (RATA) was established in 2014 as a Centre of Excellence in road asset management. This service was established by the Waikato Mayoral forum and is a unit of Co-Lab.

Commencing with a group of participating councils, RATA has steadily expanded both its service offering and the number of partner councils that it supports. Originally, RATA was focused on road asset management. Although this continues to be the core function, the unit has expanded to support three waters collaboration.

The purpose of RATA is to enable effective, strategic asset planning to support investment decision-making. It does this by providing specialist technical skills to assist councils. The shared nature of the service makes it cost effective for councils and provides resilience from staff turnover.

Additional to the direct benefits received through the services delivered, RATA has created a platform where councils feel they can collaborate. The structure and meetings give permission for councils to think about the issues with a wider lens, not just within their council. This facilitates a wide range of asset management conversations that now happen as a matter of course and has resulted in RATA becoming involved in a growing range of activities that support the participating councils, for example, joint service procurements.

LEARNING & DEVELOPMENT SHARED SERVICE

Co-Lab coordinates several working parties made up of representatives from the shareholding councils. The Co-Lab People and Capability Managers working party requested that Co-Lab investigate the potential to establish a Learning and Development Shared Service (L&D SS). At the time of writing extensive investigation is nearing completion and it is expected to become a reality in 2022.

The L&D SS will establish a structure and processes to support the growth of capability in council staff. It will do this by facilitating partner councils to collaborate on common requirements, agree competency-based learning objectives, and course delivery for staff.

Co-Lab Learning will deliver content via:

- E-learning modules
- Virtually facilitated learning events
- Face-to-face learning events.

Informal learning and development collaboration has historically been common between neighboring councils, but the long-term success of this project will require good working relationships and commitment from participating councils.

It seems that a collaboration has more chance of success if it is backed by a strong governance and management structure. In this case Co-Lab was tasked with leading the investigation and resourced for this to happen, with significant support from council subject matter experts.



WAIKATO ONEVIEW

Waikato OneView is an extension of the Waikato Data Portal, the first of the region's geospatial collaboration projects, giving the public easy access to councils' open datasets.

OneView was launched in August 2021 following a Co-Lab project that involved technical specialists from seven councils across the region.

The public platform merges data from the different councils to provide a unified, comprehensive view of spatial information. Many council data sets exist only within the geographic extent of the council. Anyone wanting to work with geographic data from multiple councils was confronted with the challenge of sourcing this data from the various councils. Additionally, the data from the different councils was often inconsistent or unavailable.

Currently Waikato OneView data sets includes water utilities and infrastructure, property boundaries and zones, community maps, recreation maps, and other community-related data.

While Waikato OneView doesn't yet have information for the entire Waikato region, the platform will continue to evolve as each council updates, adds to and further enhances the information available.

The project is a finalist for the ALGIM (Association of Local Government Information Management) GIS project of the year 2022.



“CENTRAL GOVERNMENT FUNDING DOES NOT ACHIEVE ITS INTENDED OUTCOMES WHEN IT IS NOT ALIGNED TO WHAT COMMUNITIES WANT/NEED. THE SWEET SPOT IS WHEN LOCAL GOVERNMENT IS THE CHAMPION FOR WHAT LOCAL COMMUNITIES NEED.”

BUILDING WELLBEING THROUGH PARTNERSHIPS

SANCTUARY MOUNTAIN MAUNGATAUTARI

Sanctuary Mountain Maungatautari in the Waipā District is an ecological island surrounded by a pest proof fence that enables endangered species to thrive. This ancient eco-system has been recognised as a reserve under central government control since 1912. A local landowner initiated this project with volunteer work on his own property. In 2001 the Maungatautari Ecological Island Trust (MEIT) was formed when the community, including landowners, local iwi and residents came together with an aim to restore and protect this ecosystem. As part of this project, central government vested control of the reserve to Waipā District Council.

Significant central government funding was provided to build the pest proof fence. During the process Waipā District Council assumed an enabling role with one employee spending significant time assisting the Trust to navigate compliance requirements including securing landowner agreements. Now established, Waipā District Council provides little

‘hands on’ support as the governing trust takes the project from strength to strength.

Sanctuary Mountain Maungatautari contributes to economic wellbeing by generating tourism revenue from entry fees and tours and providing opportunities for employment. Socially and culturally, it enables kaitiakitanga, is a recreational space for residents and provides educational opportunities for people of all ages. It also offers opportunities for people to connect and contribute to their community through volunteering. As a biodiversity hotspot it provides an avenue to bring unique or endangered species to the area where they can grow their population away from the threat of pests.

This project is a great example of central and local government successfully collaborating with the community and iwi to establish a community asset by providing significant funding and specialist skills that community members involved could not source. Ongoing maintenance of this conservation project is largely funded by the Department of Conservation, Waikato Regional Council and Waipā District Council who contribute

approximately \$300,000 each per annum. There is no firm commitment to provide this funding and there is a risk that the funding will be reduced or withdrawn as political or community priorities change. The charitable trust also receives funding from entry fees, tours and activities, private sector sponsors, lotteries grants, gaming charities, Trust Waikato and other philanthropic funders.

Following on from the success of this project, there have been community requests to rationalise the management of locally owned greenspaces, parks and reserves. The idea is to link them together and transform them into biodiversity corridors and hotspots with better environmental, social, cultural and economic benefits, albeit without the predator proof fencing. While the Department of Conservation manages their estates within the district well, it has been difficult to liaise with central government regarding greenspaces that are regionally or locally significant but not nationally significant.

JETTY FOR PAEROA RIVERBOAT

Hauraki District Council staff assisted the Paeroa Historical Maritime Park in their application for Provincial Growth Funding for the first stage of a heritage tourist attraction that would also be enjoyed by the local community. Staff's expertise in navigating the application process, including completing the application and feasibility study, was key to the application being successful. The attraction complements the Hauraki Rail Trail and comprises a community jetty, pontoons, and a riverboat to ferry people and bikes between the Maritime Park and town.



HAURAKI RAIL TRAIL

The Hauraki Rail Trail is one of Ngā Haerenga New Zealand's Cycle Trail great rides. Inspired by central government strategy and enabled by their funding, the initial project was a partnership between the three settlor councils: Hauraki District Council; Thames-Coromandel District Council; and Matamata-Piako District Council. Other key stakeholders include central government, Kiwirail, Iwi, Waka Kotahi, Department of Conservation, Waikato Regional Council and private landowners.

The Hauraki Rail Trail Charitable Trust now governs the project, with directors from each of the settlor councils and three representatives from iwi who have mana whenua status over the route of the trail. The Trust maintains the existing trails and develops new ones as resources permit. Ongoing funding is sourced from a mix of the settlor councils, central government, sponsorship and grants and philanthropic funding,

The vision of the Trust is to stimulate economic growth and job creation through the development of a high-quality tourism asset. This has been effective with businesses along the route now employing more staff. The rail trail is also a popular recreational facility for residents and has been a catalyst for strengthening relationships of trust between councils in the eastern Waikato council subregion.

COUNCILS HAVE A WIDER SET OF WELLBEING OUTCOMES FOR A COMMUNITY THAN JUST ROADS, RUBBISH AND RATES. LOCAL LEADERSHIP MUST TAKE A MORE HOLISTIC VIEW OF WHAT SUCCESS LOOKS LIKE AND BRING ALL THOSE DISPARATE PARTS TOGETHER.



HIGH PERFORMANCE SPORTS

The Waipā district has a growing reputation as the home of high-performance sport with Rowing New Zealand, Cycling New Zealand, Triathlon New Zealand, and Canoe Racing New Zealand all based in Cambridge. The way this reputation was built illustrates a success story in local government partnering with other agencies to deliver community assets.

The work was led by Sport NZ and Sport Waikato who identified the infrastructure

needed. The first piece of infrastructure built – the Cambridge Velodrome, National Cycling Centre of Excellence – was predominantly funded by central government and the Waikato Regional Council, through the Home of Cycling Charitable Trust. While Waipā District Council has contributed some funding, it has largely played a facilitative, enabling role. The council is not involved in the ongoing management and maintenance of the facilities.

The facilities have provided economic

benefits to the district and region, including the creation of jobs through increased tourism, event hosting, and sales of sports related goods, together with the relocation to the district of professionals who support elite athletes. By enabling local community members to use the assets, they have also delivered social and cultural benefits. At the outset, not all residents were supportive but for many the location of high-performance sport facilities in their district engenders a source of pride.

“LOCAL CONNECTIONS, LOCAL KNOWLEDGE, LOCAL DECISION-MAKING AND LOCAL ACTION SHOULD BE THE FOUNDATION OF A FUTURE SYSTEM OF LOCAL GOVERNMENT.”





TE AKA MAURI

The Te Aka Mauri Library and Children's Health Hub makes a significant contribution to community wellbeing. In addition to improving health and education outcomes, it is a place for people of all ages to gather. Library services and resources have been upgraded to meet the community's needs in the future – fulfilling the vision of delivering tomorrow's library today.

Key to the success of the project was creating a welcoming environment that draws people in. This was done through branding, which reflects mātauranga Māori, and inviting spaces such as the computer learning suite, the discovery learning centre and the makerspace. A playground and park area were developed in the adjacent Jean Batten Square and there are community meeting rooms and third-party drop-in centres with easily accessible information to support holistic family care services.

The project had a strong communication plan reflecting the large paradigm shift to a co-location model. A well-publicised opening weekend where the community were invited to view the facility helped people fully understand the concept.

GR8 JOB HAURAKI

Gr8 Job Hauraki is part of the national 'Mayors Taskforce for Jobs' initiative. Hauraki District Council received \$250,000 in October 2020 from the Ministry of Social Development for the programme. Given its success, they received a further \$500,000 in July 2021 to continue the initiative.

The programme aims to place youth and those whose jobs have been affected by the pandemic into fulltime employment. The funding pays for an employee to fill a Community Employment Liaison role working with both job seekers and employers. The programme provides entry level training to help job seekers be 'job ready' and support for businesses considering taking on more staff. In the first nine months, 32 fulltime



placements were made, well above the target of 25, in addition to further placements into parttime roles and career progression opportunities. Since July 2021, 47 people have been placed into fulltime roles, almost reaching the target of 50 for the year to 30 June 2022, in seven months. Over the entire period, 28 people have been placed into apprenticeships or cadetships.

One key to the success of the programme is the strong connections of the person fulfilling the Community Employment Liaison function in the local community.

"COUNCILS CAN BE THE GATEWAY FOR PROGRAMMES IN THEIR COMMUNITIES. GR8 JOB HAURAKI IS AN EXAMPLE OF THE SUCCESS THAT COMES FROM LOCAL PEOPLE HELPING OTHER LOCAL PEOPLE INTO JOBS DUE, IN PART, TO THEIR LOCAL CONNECTIONS."

PRIORITY QUESTION 3:

AUTHENTIC PARTNERSHIP

UNDER TE TIRITI

How might a system of local governance embody authentic partnership under Te Tiriti o Waitangi, creating conditions for shared prosperity and wellbeing?

To embody partnership under Te Tiriti, a future system of local governance would need to respond to:

- An agreement to share authority
- A guarantee of Māori rights
- A relationship based on expectations of shared benefit and prosperity

Ārewa ake te Kaupapa – Raising the platform. Interim report (P49)

KEY TAKEAWAYS

Mana whenua and local government have a keen interest in the wellbeing of local communities.

By engaging mana whenua as design partners, projects will reflect mātauranga māori and are more likely to address inequality in community outcomes.

Courageous leadership and good communication are key to authentic partnerships under Te Tiriti. Other important ingredients to achieve success are:

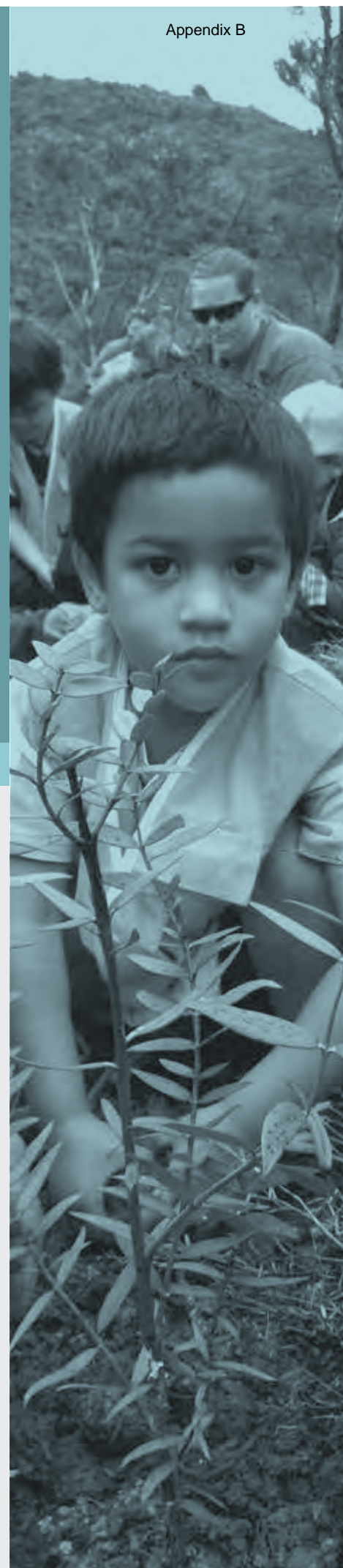
- Alignment of direction
- Trust, which results in openness and transparency
- Mutual desire to reach constructive solutions
- Culturally competent council staff
- Iwi understanding of council processes
- Sufficient financial resources and capacity for both parties to engage.

Establishing enduring co-governance partnerships can be complicated by the number of hapū in a territorial authority area or the circumstance when hapū and territorial authority boundaries do not align.

The development of co-governance partnerships between councils and iwi can be led by iwi. Obstacles can also include:

- Community opposition
- Competing priorities hampering the ability of either party to engage
- A disconnect between local government decision-making procedures and cultural norms.

THE FOLLOWING EXAMPLES HIGHLIGHT RELEVANT WAIKATO EXPERIENCES.



PROVEN CO-GOVERNANCE PARTNERSHIPS WITH IWI

MĀNGAI MĀORI – THE VOICE OF MĀORI

Hamilton City Council (HCC) has collaborated with Māori to develop a model that marks a new era for partnership-based decision-making for the city.

Rather than establishing Māori wards, which few councils have been successful in doing, HCC has appointed five Māori representatives, Māngai Māori, to council committees with full voting rights.

Māngai Māori, which means the voice of Māori, are considered external advisors on the HCC committees which means they can be appointed without community consultation.

The appointments facilitate greater co-operation, and, as committee views are heard at the council table, they provide the opportunity for Māori to participate in decision-making.

The Māngai Māori relationship is governed by an agreement between Māori of Kirikiriroa and HCC and there is also an agreement for individual committee members outlining their roles and responsibilities in the context of the overarching agreement.

Robust communication processes between Council, iwi and all Hamiltonians has helped to mitigate the risk of misunderstanding about the model and council processes. A key theme of this communication was that the Māngai Māori model would benefit the whole community, not just Māori. Similarly, the communications have stressed that Māngai Māori do not just represent Māori, but all Hamiltonians.

The Māngai Māori project centred around Council's relationships with Māori – not only senior members of Waikato-Tainui,

but representatives from multiple hapū within broader iwi as well as Māta Wāka.

Māngai Māori committee members are chosen by representatives of Waikato-Tainui, Te Runanga o Kirikiriroa and Te Haa o te Whenua o Kirikiriroa. When representatives resign Māori nominate and appoint replacements. Māngai Māori are accountable to their iwi who ensure that they reflect broader iwi views. Through this model Māori stakeholders present a strong, unified front.

The Māngai Māori model has delivered a range of positive impacts:

- The cultural competency of HCC staff has improved
- HCC has developed a framework to guide staff about bicultural considerations in their planning
- HCC staff are increasingly using te reo in Council meetings
- Increasingly, council staff and members of the community are actively seeking perspectives from Māngai Māori representatives
- A 'Māori matrix' has been adopted to ensure tikanga is considered when developing proposals.

Since their appointment, Māngai Māori have broadened and deepened debate in the chamber, enabling better decisions. Even those opposed to the model at its inception have grown to value the insights and expertise it provides.

The Māngai Māori initiative was a finalist in the Cultural Wellbeing category of the 2019 Local Government New Zealand (LGNZ) Excellence Awards.

NOW, WHEN MĀORI TALK ABOUT COUNCIL, THEY TALK ABOUT PEOPLE. COUNCIL IS NO LONGER A FACELESS BUREAUCRACY FOR MANY MĀORI IN OUR CITY. MĀORI ARE NOW ALSO STARTING TO NOTE THE CHALLENGES IN MEETING THEIR ASPIRATIONS FROM COUNCIL'S PERSPECTIVE.

ROTORUA LAKES COUNCIL PARTNERSHIP WITH TE ARAWA

In 2015, Rotorua Lakes Council (RLC) and Te Tatau o Te Arawa entered a partnership agreement which provides the framework for both parties to work together to improve the lives of all people living in the region. This agreement was developed through an 18-month 'iwi led' process to define an appropriate co-governance structure. RLC then led the statutory process and community consultation to confirm this new partnership.

The five key objectives of this partnership agreement are:

1. To strengthen Te Arawa's participation in Council decision-making.
2. Strategic and integrated development that identifies opportunities to work together for the betterment of Rotorua.
3. To build Te Arawa's capacity and capability to participate in Council decision-making.
4. To improve communication, kōrero and information sharing.
5. To improve Council's delivery of its obligations to Māori.

The key ingredients of the relationship include:

- The establishment of a trust board, Te Tatau o Te Arawa, to represent the interests of the people of Te Arawa. This board is part funded by RLC.
- Te Tatau o Te Arawa board members represent Te Arawa's interests and provide a Te Arawa worldview through participating in the RLC committees. As part of their succession planning Te Tatau o Te Arawa is also assigning

rangatahi representatives to some council committees, alongside the more experienced representatives.

- Ongoing communication between Council representatives, elected members, staff and Te Arawa representatives to reach alignment on issues and ensure the partnership is functioning well.
- Council continually seeks to grow its capability to be Te Arawa focused and respectful of tikanga Māori.
- Te Tatau o Te Arawa equips iwi with the tools and skills needed to participate in council processes.

With changes in the Electoral Act, Te Arawa has now requested that council establish Māori wards in addition to the representation provisions under the agreement with Te Tatau o Te Arawa.

As part of their goal to build capability, Te Tatau is also working in partnership with University of Canterbury, Geospatial Research Institute and Ōhinemutu hapū to create a replicable place-based tool that enables the hapū to build their own culturally layered GIS map of their village and the taonga within to better inform town planning processes with Council.

There is a mutual aspiration for a true partnership between Te Arawa and RLC, however Te Arawa believes it is still a work in progress. Local government legislation and confidentiality requirements can make it difficult for iwi representatives to present a Te Tatau o Te Arawa position at council committees, especially when there is a short turnaround between the receipt of agendas and the meetings.

In the 2019 AGM minutes, the Te Tatau o Te Arawa Chair said that while Te Arawa are around the committee tables, they also need the opportunity to influence operations. There are times when the partnership is strained but as the parties are committed, they continue to talk to each other.

An example of the value of the relationship and the creative approach to addressing community problems is the Te Aka Mauri Library and Children's Health Hub project. The facility was developed in partnership with cultural advisors from Te Arawa who ensured that it showcases Te Arawa's unique identity, reflecting culturally and spiritually appropriate Māori design. This was of utmost importance as Māori were overrepresented in the healthcare 'non-attendance' statistics.

As part of this project an iwi advisory group was established, Nga Mahinga Toi. The group's purpose was to advise on the building narrative and gift a suitable building name. Te Aka Mauri, meaning "wellbeing and understanding". Mātauranga Māori has informed the design of the facility, with the themes of ihenga (discovery), tane (enlightenment) and tawhaki (strength).

TE TATAU O TE ARAWA'S MISSION:

"TO SERVE AND REPRESENT TE ARAWA WHĀNUI AND TO WORK IN PARTNERSHIP WITH ROTORUA LAKES COUNCIL TO ACHIEVE ENHANCED SOCIO-ECONOMIC AND CULTURAL PROSPERITY FOR TE ARAWA, FOR MĀORI AND FOR THE WIDER COMMUNITY IN THE ROTORUA DISTRICT." (TE TATAU O TE ARAWA, 5).



TŪRANGI GOVERNANCE: PARTNERSHIP BETWEEN TAUPŌ DISTRICT COUNCIL AND NGĀTI TŪRANGITUKUA

Following several years of discussions, the Taupō District Council has entered a Mana Whakahono ā Rohe with Ngāti Tūrangitukua. This will enable the Tūrangi rohe to be governed by a committee comprising of an equal number of elected representatives and iwi representatives. At the time of writing, an agreement to delegate power from the Community Board to the Committee to formalise this arrangement is under negotiation. It should be noted that there was some resistance from community members who either do not agree with the principles of co-governance or with how it is being delivered in the Tūrangi rohe.

JOINT MANAGEMENT AGREEMENTS WITH IWI

Crown and iwi have signed deeds in relation to co-governance and co-management of the Waikato and Waipā rivers with the purpose of restoring and maintaining the rivers' quality and integrity. Central government legislation has enacted these deeds and prescribed that iwi and local authorities enter into joint management agreements over both the rivers.

In addition to customary uses for, for example, tangihanga, the agreements include principles and processes for collaboration around resource consents, monitoring, enforcement and policy and planning.

WAIKATO DISTRICT COUNCIL AIMS TO ESTABLISH MANA WHENUA FORUMS

Waikato Tainui has been advising the Waikato District Council on the establishment of mana whenua forums. Waikato District is geographically dispersed with several distinct communities and hapū. This requires council to engage with a variety of leadership groups throughout the region. While it is not yet clear what form the mana whenua forums will take, their establishment has been approved by council in principle, with the goals of lifting the level of engagement with mana whenua and establishing a solid foundation for an ongoing and enduring relationship.

PARTNERSHIP DESIRED BUT NOT YET POSSIBLE

Another council does not yet have an ongoing partnership model with mana whenua. Council staff are frustrated they seem to be 'behind' other councils in engagement structures with iwi.

The council does engage with iwi on a project-by-project basis but believes an ongoing partnership model would be better.

To date, a more enduring partnership format has not been possible as the iwi has been focused on their treaty settlement process. This highlights that such partnerships can only occur when both parties are ready to engage.

"WE ARE WORRIED ABOUT OUR PEOPLE, AND WE KNOW THAT OUR CITY CAN'T BE TRULY SUCCESSFUL UNLESS THE PEOPLE ARE SUCCESSFUL."

PRIORITY QUESTION 4:

LOCAL GOVERNMENT REFLECTING AND RESPONDING TO THEIR COMMUNITIES

"MORE AND MORE,
THE COUNCIL IS PERCEIVED AS A
BUREAUCRATIC CONSTRAINT ON
PRIVATE ACTIVITY RATHER THAN AS
THE REPOSITORY OF DEMOCRATIC
LOCAL GOVERNANCE."
MCKINLAY, P. (2021) P7

What needs to change so local government and its leaders can best reflect and respond to the communities they serve?

"...the overall evidence is that local decision-making is not a democratic as it could be, that some sectors of the community cannot make their voices heard, and that decisions may not be as representative or effective as they could be."

Ārewa ake te Kaupapa – Raising the platform. Interim report (P28)

KEY TAKEAWAYS

Councils' placemaking role can be fulfilled through robust, sustainable community plans that reflect the unique local character and aspirations of communities.

These plans can be:

- Developed by community boards, in partnership with iwi and local leaders
- Implemented through community-led development projects
- Delivered through financial investment from local government, central government, the private sector, or philanthropic funders.

Diversity is reflected in the decision-making process when the composition of governance bodies, committees and panels are reflective of the diversity found in their local communities.

There are challenges presented however with short electoral cycles disrupting constructive stakeholder relationships in long-term projects jeopardising project success and eroding community confidence.

Communities have greater trust in the public sector when:

- Planned projects are delivered
- Councils facilitate conversations to arrive at solutions that meet community needs
- Councils advocate for central government assistance to meet local needs
- Central government support is equitable, effective and based on need, rather than arbitrary council boundaries
- Stakeholder engagement and communication plans are tailored to known areas of concern.

DEMOCRATIC TOOLS USED BY COUNCILS

Representative Democracy

The people vote for elected representatives for a fixed term. When considering local government specifically, voters elect councillors and board members to respond to the needs of their towns, cities, districts, and regions.

Deliberative Democracy

A sample of people who mirror the general population are selected to become well informed on a specific topic, consider different perspectives and agree on recommendations. This form of democracy values the depth of participation and can increase trust due to the lack of political agendas of those selected.

Participatory Democracy

All citizens who want to be involved have direct input into public policy decisions. While involving large numbers, those participating do not necessarily reflect the demographic composition of an area. Participatory democracy can take place in the form of referenda, surveys, 'town hall' meetings, boards of enquiry and the environment court.

THE FOLLOWING EXAMPLES HIGHLIGHT RELEVANT WAIKATO EXPERIENCES.

COMMUNITY ENGAGEMENT IN DECISION MAKING

PORT WAIKATO COMMUNITY HUB

The Waikato District Council worked closely with the Port Waikato community to arrive at the optimum solution for the location, design, and operation of a new community hub. The hub replaces the existing community hall which is predicted to become unsafe or unusable due to coastal erosion. Throughout the consultation process Council engaged with the Port Waikato Hall Committee, the Port Waikato Residents and Ratepayers Association and the Sunset Beach Surf Lifesaving Charitable Trust, as well as members of the public.

The community's preference was for a standalone hall at the rugby grounds, but as Council developed this option further, they found that due to the amount of earthworks required, the cost to the community would be prohibitive. This was explained to the Hall Committee, Residents and Ratepayers Association and members of the public at community meetings. The community reached agreement to abandon the plan in favour of upgrading the surf lifesaving club rooms for use as a community hub.

The community collaborated with the Waikato District Council to submit a successful application to the Provincial Growth Fund to complete the project. The Council also used their specialist skills to form a Memorandum of Understanding with the Sunset Beach Surf Lifesaving Charitable Trust to govern community use of the hub. This included the formation of a User's Committee, community representation on the Trust Board, and a new constitution that safeguards the funding provided.

The facility is now used by groups including the church, indoor bowls, youth group, craft group, pre-school, and for junior lifeguard training.

Through their work in facilitating this project, Waikato District Council has forged strong relationships with the community. The community's confidence in the Council and central government's ability to deliver what they need has also been strengthened. This trust forms a good foundation for future decision making as the community plans for a managed retreat due to sea level rises. The project has also engendered a sense of community pride.

"YOU NEED TO LOOK AT THE TYPE OF COMMUNITIES WE ARE SERVICING AND MAKE SURE WE HAVE THE FLEXIBILITY TO STRUCTURE OURSELVES IN A WAY THAT MEETS THOSE COMMUNITIES' NEEDS."

WAIHI GOLD DISCOVERY CENTRE

The vision for the Waihi Gold Discovery Centre was birthed in the Waihi Community Consultation Committee's list of 'blue sky' options in the early 2000's. The consultation group's purpose was to make recommendations to ensure the economic sustainability of Waihi's future when gold mining ceases. A registered charity – Vision Waihi Trust – was registered in 2008 to drive the development of selected projects for the community, including the Gold Discovery Centre and i-SITE.

Requiring a capital investment of \$20 million, the Gold Discovery Centre was funded by Council, central government, and the private sector. Council also contributed land and specialist skills to help obtain the necessary consents and permits. The centre, which tells the Waihi gold mining story in an engaging and interactive way, opened in 2014 and has become a significant tourist attraction that provides economic benefit to the community.



REFLECTING COMMUNITY DIVERSITY IN DECISION MAKING

MANGAWARA BRIDGE, TAUPIRI

The Mangawara Bridge provides safe access to the southern side of Taupiri Maunga, the urupā, a reserve and private properties. Opened in May 2020, the bridge has eliminated the need for people to cross State Highway 1 (SH1) and a rail line or to illegally walk over a rail bridge to access Taupiri Maunga which has a high cultural significance for Māori.

Waikato District Council led the work on this project, coordinating the involvement of several stakeholders: Waikato District Council, Waikato-Tainui, Waka Kotahi, KiwiRail, Taupiri Community Board and community, the Taupiri Urupā Komiti, Taupiri Marae, Emmetts Civil Construction, Waikato River Authority and Waikato Raupatu Lands Trust.

Iwi were an integral design partner for the bridge. Local mana whenua and the wider Taupiri Community are thankful to all partners involved on this project and the bridge has significantly improved safety.

COMMUNITY BOARDS – RAGLAN NATURALLY

Raglan Naturally is Raglan's community plan created by the community, for the community. It is a celebration of Raglan's unique character and culture – filled with ideas for action, goals and aspirations that will help to guide the community as it grows and evolves.

The plan has been revised a number of times since its creation in 2001 and a sub-committee now focusses on building relationships, understanding what the community values, and setting a foundation for a co-governance relationship with iwi and hapū and the community.

Multiple stakeholders have been involved in its development including, the Raglan Community Board, the Raglan community, Waikato District Council, the Department of Internal Affairs, and philanthropic organisations including Inspiring Communities, Community Waikato, First Principle and mana whenua. Residents have also formed focus groups representing 12 specific areas of the community ranging from active recreation to business, education, youth, housing and the environment. While council staff supported the process when required, the development of the plan was community driven.

The Raglan Naturally community plan complements Waikato District Council's Local Area Blueprint with some of the initiatives feeding into the long-term plan.

In 2020 the Raglan Naturally Community Trust was established in co-governance with iwi and hapū to support the implementation of the community plan and continue community-led development initiatives in partnership with the Department of Internal Affairs.

Keys to the success of Raglan Naturally include the importance placed on building relationships within the community and other organisations in the Waikato District. There was trust placed in the community to lead the work, local leaders were empowered, a partnership established with iwi in accordance with Te Tiriti principles and the development of a robust, sustainable structure that will support community needs and aspirations into the future.



COMMUNITY BOARDS IN THE WAIKATO AND WAIPĀ DISTRICTS

Waikato District Council and Waipā District Council have elected Community Boards that are reflective of the diverse communities they represent. These Community Boards help give residents a greater voice by providing a link between local communities and the council. They provide a mechanism through which elected members and staff can disseminate information, engage with the community, and listen to community needs.

For smaller communities, Community Committees fill a similar function to Community Boards while requiring fewer council resources. These committees are appointed through a process that is overseen by senior council employees. Smaller communities in the Waikato District also appoint representative community groups. Community Boards, Community Committees and Community Groups are important community structures for councils to engage with on strategy, policy, by-laws, Long Term Plans, District Plans and Annual Plans.

In the Waikato District, the board and committee chairpersons have speaking rights at Council workshops and the Council engages with the boards and committees quarterly. The boards and committees in both districts provide a forum for legislated consultation and engagement.

Community boards in the Waipā district hold public forums with elected members and staff where residents can express their views and staff can address many of the concerns raised on the spot.

Within these two councils, key achievements of the Community Boards and committees include:

- Ensuring local community needs and views were incorporated into Waikato District Council's local area blueprints and community plans.
- Establishing a working group in Te Awamutu to ascertain how residents identify with the town, the 'Who are we Te Awamutu Working Group'.
- Resourcing local community initiatives, promoting community wellbeing, and undertaking projects through the allocation of discretionary funds within an approved budget.
- Maintaining and enhancing Cambridge's sister city relationships with Le Quesnoy and Bihoro.
- Organising events such as ANZAC and Armistice Day commemorations, rural tours and the Kihikihi Summer Stroll with the assistance of working groups they have established.
- Delivering projects such as edible community gardens.

The effectiveness of community boards can be limited by:

- The three-year electoral cycle which results in a short planning and implementation timeframe and regular changes in local project leadership.
- Remuneration not being in step with the time commitment required of the role.
- Councils' speed of delivery in accordance with community wishes being hampered by increasing regulatory and compliance functions.
- Limited understanding among the community of the role of community boards.
- Low profile in the community.
- Limited relationships with mana whenua.

COMMUNITY BOARDS GIVE
RESIDENTS A VOICE BY PROVIDING
A LINK BETWEEN LOCAL
COMMUNITIES AND THE COUNCIL.





TE ARIKI TAHI – SUGARLOAF WHARF

The Te Ariki Tahī – Sugarloaf Wharf project has been 20 years in the planning. The current wharf, owned by Thames-Coromandel District Council (TCDC), is used by the aquaculture industry and recreational fishers. Its capacity doesn't meet current demand and expected growth, and its design poses health and safety risks. This project is a joint venture between the central government's Provincial Growth Fund, TCDC and the Coromandel Marine Farmers Association (CMFA). The Waikato Regional Council has provided funding and specialist assistance. The project will extend and raise the wharf to increase its capacity, improve productivity, reduce health and safety risks, and build resilience for future sea level rises. There will also be capacity for recreational and charter fishers to use the facility. Once complete it is expected to create an additional 170 jobs, with a further 880 to be employed in supporting industries. At the time of writing, a special governing group has been formed and resource consent applications have been prepared and submitted.

The primary driver of this project is the CMFA whose current operations are constrained by the lack of capacity at the wharf. The project is environmentally sensitive with toxic chemicals left over from the gold mining days in the sediment of Coromandel Harbour, and many in the local community are keen that this is not disturbed. Consultants have been engaged to determine the environmental, economic, and cultural feasibility of the site, as well as of other sites on the western seaboard. As the site is of significance to iwi, the Hauraki Māori Trust Board, together with iwi interests working in the aquaculture industry, have assisted in the preparation the project's cultural impact assessment.

While the governing group must employ a business model that covers the ongoing operational and maintenance costs of the wharf, this project has given the aquaculture industry confidence that the infrastructure will be in place to warrant future investment in their businesses. The successful joint application by TCDC and CMFA to the Provincial Growth Fund was the trigger to start the project. The good relationships of trust developed over time between the various stakeholders with competing interests have been vital to the commencement of this project. These relationships have needed refreshing when council staff and elected representatives change.



TE ARA TIKA – PEDESTRIAN RAIL OVERBRIDGE IN TE KUITI

The Te Ara Tika project replaced the pedestrian overbridge over the North Island Main Trunk line in Te Kuiti. The bridge provides a gateway to and from the Te Kuiti town centre and better enables the future development of the central business district. The new bridge is durable, modern, and low maintenance, incorporating design elements recommended by Ngāti Rora and the Waitomo District Youth Council.

The vision was that the bridge would promote community positivity and confidence by displaying the rich history of Te Kuiti, its people, landscape and contributing areas. Ngāti Rora were engaged early to develop distinctive weaving pattern displays that feature across the bridge explaining the local history of mana whenua, key locations, and events. Each display is complemented by an information panel and QR code link to a verbal description of the weave and place of interest visible from each viewing point. The Waitomo District Youth Council enhanced the design of the space by recommending that a basketball court, seating, and shade be installed at one end of the bridge for recreation. The project is considered an asset to the community.

“COUNCILS ARE WELL PLACED TO WORK WITH COMMUNITIES, LOCAL ARTISTS AND BUSINESS OWNERS TO ENSURE OUR PUBLIC AND PRIVATE PLACES ENHANCE OUR IDENTITY, HONOUR OUR PEOPLE, AND CELEBRATE OUR UNIQUE CULTURE AND FEATURES.”

SANCTUARY MOUNTAIN MAUNGATAUTARI

The Sanctuary Mountain Maungatautari project, also detailed under the Priority Question 2 section, is another great example of bringing together diverse community interests to deliver a successful project. Originally the governing trust was comprised of three equal parts: landowners, iwi, and council. Now established, the trust is comprised half iwi and half non-iwi representatives. The project has drawn on the expertise, resources and interests of the council, central government, landowners, iwi, environmental groups, and the community in general, and the project continues to attract positive community feedback.



PRIORITY QUESTION 5:

FUNDING AND FINANCING

What should change in local governance funding and financing to ensure viability and sustainability, fairness and equity, and maximum wellbeing?

“Future local authorities will need to be designed and sized in a manner that ensures financial viability and sustainability, including sufficient capacity or support to absorb shocks and respond to local challenges, while also continuing to contribute to community-led governance and local well-being”

Ārewa ake te Kaupapa – Raising the platform. Interim report (P51)

KEY TAKEAWAYS

When communities are at the centre of planning and funding decisions, infrastructure projects can deliver social, environmental, cultural and economic wellbeing outcomes.

Councils with a clearly articulated vision and strong iwi relationships are usually better positioned to form strategic alliances with central government. Third party funders such as corporates, philanthropists and grant funders can complement other funding sources to complete innovative projects.

Currently central government partnerships with councils create expectations that a high trust central government investment model will fund planned projects, but this expectation has not always been fulfilled.

Central government makes funds available via mechanisms that appear short-term and low trust. The application process is also costly and time consuming for councils with no guarantee of success.

Because councils often have limited visibility of these funding mechanisms, resources are put into planning for projects that the community cannot afford by themselves. This occurs so that councils are prepared should funding opportunities arise, however it is often an inefficient use of council resources.

- Councils often have to employ external consultants to complete applications
- Councils cannot accept part-funding for projects if no other funding sources are available
- Unfunded cost escalations in the time between the submission of the application and project delivery can jeopardise project completion
- Clear feedback is often not provided to unsuccessful applicants. This limits the council's chance to improve and ultimately be better positioned for future success
- Central government silos mean successful applications are no guarantee the support needed to proceed from other government departments will be forthcoming.

The flow-on impact of central government policy decisions on local government infrastructure and resources should also be factored into policy budgets and implementation plans as ratepayers struggle to afford infrastructure that:

- Has a regional (or sub-regional) purpose
- Is used primarily by visitors to the area.

THE FOLLOWING EXAMPLES HIGHLIGHT RELEVANT WAIKATO EXPERIENCES.



“LOCAL GOVERNMENT SYSTEMS, GIVEN THEIR STEWARDSHIP ROLE IN RELATION TO ESSENTIAL INFRASTRUCTURE, NEED A STABLE AND PREDICTABLE FORM OF REVENUE SO THAT THEY CAN MAKE LONG TERM FINANCIAL COMMITMENTS.”



SOURCES OF LOCAL GOVERNMENT FUNDING

CROSS-COUNCIL OBSERVATIONS

While all councils face the challenge of providing infrastructure that meets the increasingly stringent health, safety and environmental standards, this challenge can be more pronounced for councils with a smaller ratepayer and therefore funding base.

Councils need to plan and fund infrastructure to meet projected changes in quality standards and demand, but they're not always in control of the decisions and timelines that influence these changes for example, adjustments to immigration settings and shifts in environmental legislation.

It is often unaffordable for ratepayers to fund future infrastructure needed to support growth or cater for higher quality standards and while development contributions assist, they may not cover all the costs that councils incur. Historically councils have commonly received central government subsidises and allocations to assist with infrastructure funding. They have since been advised not to rely on this funding in their long-term plans however, if there is no firm commitment from central government to contribute.

**CENTRAL GOVERNMENT FUNDING
ROUNDS REQUIRE SIGNIFICANT
COUNCIL RESOURCES WITH NO
GUARANTEE OF SUCCESS.**

TE AKA MAURI LIBRARY AND CHILDREN'S HEALTH HUB

The Te Aka Mauri Library and Children's Health Hub project attracted approximately \$1.2 million funding from corporates, philanthropists, and grant funders to modernise the library. This level of funding is beyond what the Rotorua Lakes Council (RLC) could afford. This funding enabled non-traditional library services such as the park precinct, digital resources, the makerspace, discovery centre, and computer learning suite. It also funded tiered seating in the children's section of the library, and design features such as tukutuku panels and a video community pride wall.

RLC leveraged the innovative aspects of the project to entice funders to partner with a 'world first' facility. Funding applications explained the key drivers for the project and used a personalised brand story to showcase how the facility will help improve community wellbeing outcomes.

THE IMPACT OF CENTRAL GOVERNMENT FUNDING MECHANISMS

CROSS-COUNCIL OBSERVATIONS

Periodically councils can apply for taxpayer funds to invest in infrastructure. Recent funding allocations have been made through the Tourism Infrastructure Fund, Housing Acceleration Fund, Crown Infrastructure Partnership Fund, Provincial Growth Fund and Three Waters Investment Fund. These funds are mainly designed to improve community wellbeing and stimulate economic growth. As councils have limited visibility to when or if these funds will open, many prepare for them by planning projects and including them in their long-term plans, with no ratepayer funding allocated.

A common observation of these funding rounds is that applications require significant council resources to complete, with no guarantee of success, given applications exceed the funding available. The information required can be onerous and some councils, especially the smaller ones, incur costs to engage consultants to assist. In many cases it is challenging for council staff to resource funding applications while juggling multiple priorities. This is exacerbated when there is little warning of a funding opportunity. The competitive funding model also pits councils against each other for scarce funding. Some have likened this funding approach to a 'lolly scramble.' To improve their chances of success, some councils coordinate fund applications with neighbouring councils. Similarly, Te Waka, Waikato's Regional Development Agency assists to coordinate projects and applications.

Where central and local governments are already collaborating in an area of common interest, for example Future Proof, councils are frustrated they still need to seek central government investment through short-term funding rounds. Some have described these funding rounds as 'low-trust', with project delivery slowed by bureaucracy, inefficiency, and built-in checks and balances to mitigate risks and contingencies. Councils would prefer a 'high-trust' funding model in these situations with local and central government working together as genuine partners with aligned strategic objectives and funding commitments.

IN A HIGH-TRUST
FUNDING MODEL, LOCAL AND
CENTRAL GOVERNMENT WOULD
WORK TOGETHER AS GENUINE
PARTNERS WITH ALIGNED
STRATEGIC OBJECTIVES.



COVID-19 RESPONSE AND RECOVERY FUND

In April 2020 the government allocated \$3 billion for 'shovel-ready' infrastructure projects. This investment was to provide immediate support to the country's economic recovery following the first COVID-19 lockdown.




An Infrastructure Reference Group (IRG), comprising industry leaders was established to identify and recommend suitable projects. These projects could be from both the private and public sectors provided they were ready to start within a year, provided employment opportunities and would provide economic, social, and environmental benefits nationally or regionally. Project risks were considered, and there was a focus on sectors that aligned with broader economic priorities, including housing and urban development, transport, community and social development, and energy and climate resilience.

Projects modernising the economy or enhancing sustainable productivity were of particular interest to Ministers and projects were also considered against their contribution to the United Nations' Sustainable Development Goals.

Suitable projects could be nominated through a 'Project Information Form', which clearly identified project benefits through assessment tools such as business or investment cases. The short lead time for applications required council staff to work long hours to complete their submissions.

Nationwide the fund was oversubscribed by \$133 billion with applications made for 1,924 projects. In the first tranche of funding, just 147 projects were progressed to the due diligence phase with a total funding value of \$2.6 billion. Applications for the unsuccessful 1,777 projects incurred significant unrecoverable sunk and opportunity costs, not just for the applicant but for the IRG reviewing the applications. A percentage of the fund was retained as a contingency for cost overruns highlighted during due diligence.

The IRG's quarterly update to 30 September 2021 showed the following statistics for approved projects in the Waikato region. This includes projects where the funding went to an organisation other than the council and excludes Rotorua based projects which are included in the Bay of Plenty region.

 PROJECTS	25 Approved	25 Government funding agreement	19 Commenced construction	4 Completed
 FUNDING	\$29.2M Government spend	\$38.6M Co-funded spend	\$67.8M Total spend	\$56M Procurement committed
 LOCAL WORKERS FTE	Progress to projected: 523 46% to projected	Growth this Quarter: 72	Projected: 1,139	Employment end of Quarter: 257

NATIONWIDE APPLICATIONS FOR 1,924 PROJECTS TOTTALLING \$136 BILLION WERE MADE TO THE SHOVEL READY INFRASTRUCTURE PROJECT FUND. JUST 147 PROJECTS WERE APPROVED TOTTALLING \$2.6 BILLION.

TE AWA RIVER PATH

The Te Awa River Path repair project is a celebrated example of how councils can improve community wellbeing through the delivery of infrastructure projects. In recognition of this achievement, the project won the 2020 Infrastructure New Zealand Excellence in Social Impact Award.

Part of the Te Awa River Path in central Hamilton was closed for two years due to slips. While planning to repair this asset was in place, Hamilton City Council (HCC) worked quickly to create an innovative funding proposal when the Ministry of Business, Innovation and Employment opened the Provincial Growth Fund 'shovel ready' projects, as part of the COVID-19 recovery package.

In addition to repairing the pathway which connects key destinations and green spaces and provides recreational opportunities, the project plan was enhanced by the additional goal of creating employment and imparting transferable skills for 50 people who had lost their jobs due to the COVID-19 lockdowns.

HCC led the project in partnership with Schick Civil Construction, Waikato-Tainui, and Ngāti Hauā Mahi Trust. Workers who had lost their jobs due to the first COVID-19 lockdown were sourced from the Ministry of Social Development. They completed a five-day Road Ready training program which had been developed by Downer in collaboration with HCC.

The program equips workers for a career in the construction sector. Its teaching is underpinned by the Māori holistic health model developed by Sir Mason Durie – Te Whare Tapu Whā – which highlights the need for people take care of their physical, mental, emotional, spiritual, whanau and social wellbeing.

At the completion of the project 27 of the 50 workers employed transitioned into full time employment and the section of the path that was long closed was once again open for community use.

MIXED APPLICATION SUCCESS FOR ONE COUNCIL

In 2016 Waikato District Council received an interest free loan through the Housing Infrastructure Fund to accelerate the construction of a wastewater treatment plant to support the development of residential units. Although the application was successful, the amount of information required placed an enormous strain on the staff of this relatively small council. It is estimated that staff time and consultant costs combined to a value of \$600,000.

Five years later a similar bid was made to the Housing Acceleration Fund, managed by Kāinga Ora, to upgrade a wastewater facility to fast track the provision of 1900 homes. This housing development had been planned as part of a central government growth initiative. The unsuccessful application required four staff members to shift their focus away from their business-as-usual work for a significant period. The council requested a debrief from Kāinga Ora however, the information they received was not sufficient to help them understand how they could position future applications for success.

"WE WANT TO BUILD COMMUNITIES NOT JUST HOUSES. THIS MEANS THAT WE HAVE TO INVEST IN SOCIAL INFRASTRUCTURE AS WELL AS PHYSICAL INFRASTRUCTURE."



ALIGNMENT OF PURPOSE

Rotorua Lakes Council (RLC) received funding from the COVID-19 Crown Infrastructure Partners Fund for 'shovel ready' projects for six significant projects. Examples of these include:

1. The Lakefront – this project is to transform the Rotorua lakefront. This area has recreational, economic, and cultural significance, with the potential of becoming a major tourism asset. Prior to the 2020 COVID-19 lockdown, RLC had received \$22 million of taxpayer co-funding from the Provincial Growth Fund which, along with \$20 million of ratepayer money, is being used for the redevelopment. The Crown Infrastructure Fund investment was made to fund a cultural overlay that tells the story of Te Arawa.
2. Enabling infrastructure for housing on two developments: Pukehangi and Wharenui, owned by Ngāti Whakaue Tribal Lands. Central government enabled fast tracked rezoning of the land and has secured a block within Pukehangi, targeting homelessness. Ngāti Whakaue Tribal Lands are launching an affordable home scheme for whānau on the Wharenui development.

RLC believe their success in attracting central government funding is a result of the following:

- Alignment of purpose between RLC, iwi and central government priorities.
- A clear, documented vision highlighting how RLC will benefit their communities.
- A proven, enduring co-governance partnership with iwi.
- The inclusion of future projects in the long-term plan, even though funding has not been allocated to them. This positions RLC to unlock possibilities when opportunities arise.
- A written application for a project that matches central government's aspirations for the fund.
- A web of relationships between local and central government politicians and staff.
- Maintaining a good reputation as a recipient of funding by delivering projects within funding timeframes.

KŌPŪ MARINE SERVICING AND BUSINESS PRECINCT

Thames-Coromandel District Council (TCDC) received funding from the COVID-19 Crown Infrastructure Partners Fund for 'shovel ready' projects to kickstart the Kōpū Marine Servicing and Business Precinct project. Adjacent to the economic centres of Auckland, Hamilton, and Tauranga, and based on existing marine related businesses, this project takes advantage of the growing demand for marine servicing. It will also develop Kōpū as a centre of marine servicing operations across the Hauraki Gulf and enable Kōpū to act as a connection for water-based tourism and aquaculture. Eventually it is hoped that the precinct will also incorporate upgrades for recreational users and the community.

The project aligns with iwi values and includes planning for positive environmental outcomes. The General Manager of the Ngāti Maru Runanga is part of the project control group and Ngāti Maru completed the cultural assessment of the project.

This project is a great example of a council identifying and completing preliminary planning for an innovative project in preparation for a funding opportunity.

The concept followed assessments for the location of the aquaculture industry which considered the whole western coast of the Coromandel Peninsula. The assessments revealed clear potential for a development in Kōpū, which was subsequently



THE PROJECT ALIGNS WITH
IWI VALUES AND INCLUDES
PLANNING FOR POSITIVE
ENVIRONMENTAL OUTCOMES.

discussed with Waikato Regional Council and Te Waka. The feasibility study proved that the project had merit financially, would create jobs and aligned with TCDC's strategy to diversify the district's economy which is heavily dependent on tourism.

Although government funding has now been received, it was challenging to obtain consent for this project due to the lack of connection between central government departments.



CENTRAL GOVERNMENT INVESTMENT STIMULATES ECONOMIC GROWTH

The Taupō District Council has received investment through central government funding rounds to upgrade three waters infrastructure, complete the town centre transformation project and redevelop the airport. This funding has enabled the council to move at pace, delivering large projects that have been planned for years, but not funded in successive Long-Term Plans due to other priorities for limited ratepayer funding. By having good plans in place before the funding is received, clear project objectives and employing local contractors this funding has delivered economic benefits.

However, because the funds are a fixed amount, there is the risk that projects are not completed due to cost escalations. Where this happens councils will subsidise some projects from rates or other funding, while they scale back the scope accordingly in other projects.

**CENTRAL GOVERNMENT FUNDING
ENABLES COUNCILS TO DELIVER
LARGE PROJECTS AT PACE .**

PROVIDING SERVICES BEYOND THE RATEPAYER BASE

Councils face funding challenges caused by the disparity between the location of infrastructure and services and where their ratepayers usually reside. This is especially true for councils with high visitor numbers.

RESPONSIBLE CAMPING AMBASSADORS IN THE COROMANDEL

Freedom camping is popular in the Coromandel. While the district welcomes these visitors, there is a notable increase in associated bylaw infringements in the summer months. The swell of visitors leads to a heavy demand on public services such as rubbish collection and toilets. Increasing these services to meet the demand places a strain on ratepayer funding.

For 10 weeks in the 2020/2021 summer season the Thames-Coromandel District Council (TCDC) received funding from the Ministry of Business, Innovation and Employment to employ six Responsible Camping Ambassadors, and increase the frequency of toilet cleaning on the peninsula. Private sector businesses also supported this initiative by sponsoring five vehicles. The ambassadors travelled around the peninsula, engaging with freedom campers, providing education, information, and rubbish bags.

The initiative was successful with 3,190 people engaged, 2,000 camping information leaflets distributed where they were needed most, and a significant reduction in littering and bylaw infringement notices issued. Six extra staff were employed to increase the frequency of toilet cleaning. The effectiveness of the project was enhanced by local business owners sharing information with the ambassadors on what they saw happening on the ground.

TCDC coordinated the initiative, but the central government funding ensured that local ratepayers were not shouldering the cost of visitors from other districts. The proactive nature of the initiative and collaboration with the private sector generated economic benefits by improving TCDC's reputation in the community, promoting the Coromandel as a tourist destination and improving the visitor experience. For businesses, their involvement in the project helped to build brand awareness in the wider community.

FUNDING VISITOR FACILITIES IN THE COROMANDEL

Since 2017 the Tourism Infrastructure Fund has joined Thames Coromandel District Council (TCDC) to co-fund facilities that get high visitor use such as public toilets and the Hahei tourist walkway. While these facilities were included in the Long-Term Plan, it was hard for the small council to fund the infrastructure needed to support its visitor numbers across its large geographical area.

The facilities funded generate economic benefits through improved visitor experiences, while contributing to social and environmental wellbeing by providing services like shelter for school students and a community noticeboard or maps of the district with travelling times in larger facilities. Two facilities were honoured at the Keep NZ Beautiful Awards.

While the TCDC invests significant resources in applying to the Tourism Infrastructure Fund, it never knows the extent of funding it will be required to contribute, should applications be successful. Council's contributions can vary from between 0% to 50%, and typically any new facility will incur increased operating costs. In some cases, council has not been able to accept the allocated central government funding because the required council contribution is unaffordable for ratepayers.

TRAIN STATIONS IN NORTHERN WAIKATO

In 2018, central government entered an Urban Growth Partnership between Waikato District Council, Hamilton City Council, Waipā District Council and Waikato-Tainui. The purpose of this partnership was to promote sustainable urban growth management in the strategically significant Hamilton to Auckland corridor. In accordance with central government policy, public transport, including trains, is a key linkage. In part a response to this priority, the Hamilton to Auckland commuter rail service – Te Huia – commenced in April 2021.

Proposed train stations and their associated park and ride facilities along this corridor fall within the Waikato District Council's boundaries. At present Te Huia does not stop at these locations, yet the community in Tuakau, especially, is a strong advocate for the service. The cost of developing these key rail stations, which are of regional and national significance, is unaffordable for the local ratepayer base.

In instigating the Urban Growth Partnership, central government created an expectation that there would be a commitment to fund at least some of the planned projects. Council has invested resources to develop future town plans and transport solutions however, to date no funding has been committed to these rail stations. The delay in infrastructure investment, in a time of rising costs, increases the risk that these projects will be rendered infeasible in the future. In addition, the opportunity to improve community wellbeing through the provision of a transport corridor is deferred.

**THE PURPOSE OF THIS PARTNERSHIP
WAS TO PROMOTE SUSTAINABLE
URBAN GROWTH MANAGEMENT IN
THE STRATEGICALLY SIGNIFICANT
HAMILTON TO AUCKLAND CORRIDOR.**



Photo credit: Thames-Coromandel District Council – Felicity Jean Photography.

OTHER FUTURE FOR LOCAL GOVERNMENT

DISCUSSION POINTS

The Community Needs Analysis Project's Subject Matter Experts identified the following topics for consideration even though they were unable to source suitable illustrations to support them.

Theme	Topic	Theme
Partnership between iwi and local authorities	Community trust in and perception of co-governance	Co-governance can lead to the perception that iwi needs take priority over the needs of other community members. Some communities may also fear that large iwi, with a strong voice at the council table, may sway decisions to give iwi business and other interests an unfair advantage. Clarity around central government's agenda with respect to co-governance would help to remove these tensions within and between iwi and the wider community. It is challenging to achieve alignment between iwi and councils when territorial boundaries and iwi boundaries are not the same. Often there is more than one iwi located in a territorial authority, and while iwi have a vested interest in community success, their vision and ideals may vary between regions and iwi themselves.
Partnership between iwi and local authorities	The impact of local government electoral cycles	As robust, functioning relationships are desirable to achieve co-governance, local government electoral cycles can disrupt co-governance arrangements.
Local Governance	The short tenure of chief executives and elected representatives can be counter productive	The five-year tenure of chief executives may influence continuity, particularly when it can impact on relationship building with other organisations. Longer tenures may allow relationships and trust to develop within and between the multiple stakeholders. It takes time for many elected representatives to fully understand what is required in their role. Short electoral cycles and consequent changes in direction erodes trust between councils and their communities. It can also result in wasted resources.
Local Governance	Clarity of roles devolved to local government	Councils are just one player in the governance ecosystem, however they have the broad purpose of promoting social, cultural, economic and environmental wellbeing. Where the decision-making functions and budgets that have a significant impact on wellbeing sit with central government, local governments' ability to foster community wellbeing is hampered. For example, in areas like welfare and housing. Clarity around local governments' responsibilities may make it easier to recruit elected leaders.
Local Governance	The impact of legislated consultation on iwi and communities	The requirements of legislated consultation can dilute communities' focus on issues that are important to them if there are no legal requirements for consultation. For example, iwi can be swamped in time consuming consultation processes. Sometimes consultation is also substituted for elected members building relationships with their communities to understand their needs. The methods of consultation should be considered, for example using social media, to ensure that submissions reflect community diversity.

APPENDIX ONE

PROCESS FOLLOWED BY THE COMMUNITY NEEDS ANALYSIS PROJECT TEAM

The Shifting Landscapes: Community Needs Analysis project commenced in September 2021 when the problem statement and project goals were identified.

The Project was sponsored by Rob Williams (Chief Executive of Thames-Coromandel District Council) and Garry Dyet (Chief Executive of Waipā District Council). The participating councils were each represented by staff with expertise in local government planning, strategy and policy. This group is referred to as Subject Matter Experts (SMEs).

During October 2021 detailed requirements, expectations, timelines and the approach were agreed with the steering committee. In addition, the SMEs from participating councils sought examples of local government projects

that addressed community needs and/or improved community wellbeing.

A full day workshop with the SMEs and Co-Lab project delivery team was held on 5 November 2021. The agenda included a brainstorming session around the five priority questions identified by the Future for Local Government (FfLG) review panel together with challenges to achieving local wellbeing. The SMEs then prioritised the themes they wanted the project to focus on. A gap analysis of examples/stories to support the themes was completed and more information requested from the SMEs as appropriate.

From November 2021 to January 2022, the Co-Lab team analysed the local government project examples. Each example was considered for collaborating

partners, iwi involvement, community outcomes, lessons learned, and the council resource used. They were then aligned with the themes previously identified. Several shorter SME workshops were held together with one-on-one meetings between the SMEs and the Co-Lab project delivery team. The goal of these meetings was to clarify the factors that resulted in and/or detracted from community success in each example.

A 'working draft' report was completed in mid-February 2022. Many councils used this as a resource to inform their discussions with the FfLG panel in late February/early March. Over the following month additional information and stakeholder feedback was incorporated into this, the final, report.

APPENDIX TWO

SHIFTING LANDSCAPES PROJECT

The Shifting Landscapes Project (SL) was completed in early 2021 and was a precursor to this, the Community Needs Analysis project. The SL project was an acknowledgement that the role of councils would likely evolve in the face of significant reforms. The project proposed that the reforms gave councils an opportunity to proactively re-write – and reimagine – the future of local government.

Within this broad consideration of the future of local government, the SL project focused on the functions and services that councils must deliver to their communities. The project aimed to help councils by designing criteria that guided decision-making when considering how these services are delivered and who is best placed to deliver them. Four delivery options were considered:

1. Only the councils should deliver having regard to the future role they should be playing within their communities (i.e., not bounded by existing service delivery thinking)
2. Could be delivered by service delivery agents (e.g., a Council Controlled Organisation (CCO) or single council, on behalf of others)
3. Could be delivered by third parties
4. Central government agencies should deliver.

The project ‘landed on’ the following sets of principles for each option:

1. Services that only the councils should deliver (to fulfil their roles noted above):

Criteria for use:

- For services that are core to council’s role and the outcomes it is seeking (this would extend to services that have significant interdependencies with other (central government) agencies.
- When it requires direct engagement with communities.
- When there are significant levels of uncertainty or complexity (with respect to policy and/or service characteristics).
- When the risks of outsourcing are unacceptably high (this could be due to a loss of control over decisions made, supplier monopoly or liability exposure

increasing beyond a tolerable level, or unproven market capability).

- When the service is novel, meaning there is a limited market to source from.
- When outsourcing will have a significant detrimental impact, overall, on the local community.
- When the cost of managing an external service provider’s performance outweighs any benefits from outsourcing.
- When it is more cost effective to retain control of the service (synergies with other parts of the business).
- Where council has previously experienced difficulties using third parties and the reason for those difficulties remains.
- Where legal or liability constraints prevent the ability to contract out.

2. Services that could be delivered by service delivery agents (e.g., a CCO or single council, on behalf of others):

Criteria for use:

- When there is a clear council-determined business objective(s) that can be readily understood by the service delivery agent.
- When there is a desire to establish a greater degree of continuity of investment and decisions.
- Where there is a desire to have the service deliver at arm’s length from general council activity.
- Where there is a desire to have a service governed by a board of directors.
- When a service can generate non-rating revenue (which may align with the previous criteria).
- When there is a desire to attract people who might not join a council.
- When there is a desire to separate the council, as an intelligent buyer of what is needed, from those that are efficient providers (who may also compete for others’ business).
- Where the sharing of the service delivery provides greater scale which in turn provides greater efficiencies.
- When a desired service meets one or

more of the above criteria, but is not available on the open market or is only available at greater cost.

3. Services that could be delivered by third parties:

Criteria for use:

- When the notion of ‘competition as a driver’ is likely to result in:
 - o Cost reduction
 - o Efficiency
 - o Quality improvement
 - o Innovation
- When the service will benefit from a ‘Principle / Agent’ relationship where the council can specify measurable performance standards and cost effectively measure them.
- When the council is lacking capacity and/or capability to deliver the service in-house.
- Where the quality of service can be readily stipulated, and the service provider effectively held to account for ensuring that quality.
- When the service is particularly niche (although if there are few competitors, a lack of market tension may necessitate developing the capability in-house).
- When there is reliance on specific intellectual property which sits with a supplier.
- Where the market is continuously innovating and an in-house solution may not have the scale or expertise to replicate that.

4. Services that councils should look to partner with other agencies (particularly central government) to deliver:

Criteria for use:

- When council’s role is best placed to plan and facilitate the service because of the need for localism in ‘what’ is delivered, but others are better equipped to deliver that service.
- When there are strong interdependencies with other public services.
- When central government resources (including funding) are available.

APPENDIX THREE

DEFINITIONS

Local government: Local authority structures in New Zealand that have been established by statute (Interim Report, 6).

Local governance: “The system by which communities are governed...including who makes the decisions, how they are made, and who the decision-makers are accountable to” (Interim Report, 6).

Localism: Arrangements where citizens are involved in making decisions about their own areas and localities – either directly through local forums or indirectly, through their local municipality. Localism gives voice, choice and control to communities, enabling local solutions through partnership and collaboration around place, and providing the conditions for social action to thrive. It reflects the plurality and diversity of views within a society (Localism NZ).

Placemaking: A people-centred approach to the planning, design and management of public spaces, facilities, recreation areas, and community work. As a way of engendering community empowerment, placemaking is a vehicle to deliver localism.

Wellbeing: “Everything that makes a good life, not only for individuals, but also for their whanau and families, their neighbourhoods and communities, and for future generations”. Wellbeing can be social, economic, cultural and environmental (Interim Report, 18).

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