

Review into the Future for Local Government – Final Report

Meeting: Kaipara District Council
Date of meeting: 26 July 2023
Reporting officer: Hayley Worthington, GM Customer Experience

Purpose | Ngā whāinga

To note the Final Report on the Review into the Future for Local Government (**Attachment A**), released 21st June 2023 through high-level recommendations and to provide next steps to Council.

Executive summary | Whakarāpopototanga

The Final Report on the Review into the Future for Local Government was established by the Minister of Local Government in 2021 at the request of the local government sector.

The Final Report builds on the Draft Report and associated Local Government and community submissions to set out final recommendations which are to be worked through with the Local Government sector.

Recommendation | Ngā tūtohunga

That the Kaipara District Council notes the Review into the Future for Local Government - Final Report located at Attachment A

Context | Horopaki

The Review into the Future for Local Government was established in April 2021 by the Minister of Local Government as an independent, two-year Ministerial Review.

The purpose of the Review was to identify how our system of local democracy and governance needs to evolve over the next 30 years, to improve the wellbeing of New Zealand communities and the environment, and actively embody Te Tiriti partnership.

The Review process was phased in three stages to reflect the three key deliverables: an interim, draft and final report.

The draft report reflected the five key shifts the Panel identified as necessary to reform the future of local government:

- strengthened local democracy
- authentic relationships with hapū/iwi and Māori
- a focus on wellbeing
- genuine partnership between central and local government
- more equitable funding

KDC made a submission on the above recommendations from the Draft Report on the 7th March 2023 (**Attachment B**)

This paper highlights the recommendations made in the panel's Final Report.

Discussion | Ngā kōrerorero

The Final Report identifies five key focus areas alongside recommendations for change:

1. Embedding local government's purpose and wellbeing focus
2. System renewal
3. Increasing funding
4. Strengthening local democracy and leadership
5. Growing authentic Te Tiriti-based partnerships

1. Embedding local government's purpose and wellbeing focus – Recommendations

- Provide legislative protection for local government's purpose.
- Introduce new provisions to the Local Government Act (LGA):
 - councils set wellbeing goals each term with communities and hapū/iwi
 - central and local government commit to align wellbeing priorities and investment.

2. System Renewal – Recommendations

- Councils lead a re-organisation of local government and a new operating model, with two structural options proposed.

Unitary

- In this model, one council has responsibility for all the local government roles and functions across an agreed region or sub-region, including those currently carried out by regional councils and territorial authorities. This one-stop-shop approach allows for joined-up back-office processes and systems, and for activities that are not locally specific to be delivered at scale.

Combined Network

- Local councils retain focus on place-based delivery and decision-making and work with others to address opportunities and challenges in their areas. A combined council carries out functions that affect the whole region or require specialist capability and provides appropriate economies of scale. It also provides backbone support for the local councils by providing shared services where agreed.
- Establish a dedicated Crown department to facilitate a more effective relationship between local and central government, with a relational-based operating model to align priorities, roles, and funding. It would broker place-based agreements and support research, development, and innovation capability.
- Establish a new local government stewardship institution that provides oversight for a healthy local government system.

3. Increasing Funding – Recommendations

- Central government makes a greater investment in local government through:
 - an annual transfer of revenue
 - significant funding to support local priorities, including place-based agreements
 - any agreed devolution of roles.
- Central government pays rates on Crown property.
- Central government develops a climate change fund.
- Cabinet is required to consider the funding impacts of proposed policy decisions on local government.

- Central government commits funding to support the future transition by:
 - resourcing a transition unit
 - supplementing local government funding to enable hapū/iwi to partner with councils
 - supporting councils to build their capability in Te Tiriti and te ao Māori, and delivering wellbeing.

4. Strengthening local democracy and leadership – Recommendations

- Local government invests in participatory and deliberative democracy.
- Extend the term for local elections.
- Adopt Single Transferable Vote as nationwide method for local elections.
- Lower the threshold for establishment of Māori wards.
- Enable Te Tiriti-based appointments to councils.
- Lower the voting age to 16 for local elections.
- Local and central government co-invest to build leadership capability.

5. Growing authentic Te Tiriti-based partnerships - Recommendations

- Introduce new provisions in the LGA that:
 - explicitly recognise local government as a partner to Te Tiriti
 - require councils to develop partnership frameworks with hapū/iwi and Māori
 - require councils to develop their capability and capacity in Te Tiriti and te ao Māori.
- Central government reviews legislation to streamline requirements for local government engagement with Māori.

Significance and engagement | Hirahira me ngā whakapāpā

[Council's Significance and Engagement Policy.](#)

The decisions or matters of this report are considered to have a low degree of significance in accordance with Council's Significance and Engagement Policy. No feedback is required, and the public will be informed of Council's decision via the agenda and minutes publication of this meeting, on the website and through other channels if appropriate.

Next steps | E whaiake nei

The Minister for Local Government – Hon Kieran McNulty has identified that the central government pre-election phase provides the sector with an ideal opportunity to hold discussions on the matter. He has requested that Local Government New Zealand (LGNZ) facilitates the sector-wide conversation with an aim to get agreed views amongst its members.

Attachments | Ngā tapiritanga

	Title
A	Final Report on the Review into the Future for Local Government – June 2023
B	Kaipara District Council – Submission on Draft Report on the Review into the Future for Local Government – March 2023