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03 941 8999

53 Hereford Street  
Christchurch 8013

PO Box 73013  
Christchurch 8154

[ccc.govt.nz](https://ccc.govt.nz)

The Future for Local Government Independent Panel  
Department of Internal Affairs  
WELLINGTON

[futureforlg@dia.govt.nz](mailto:futureforlg@dia.govt.nz)

## Christchurch City Council submission to the Future for Local Government Independent Panel

### Introduction

Christchurch City Council (the Council) commends the Future for Local Government Panel (the Panel) for the extensive work undertaken to prepare your draft report “He mata whāriki, he matawhānui”. The information presented in the report is comprehensive and provides a basis to inform decisions moving forward.

We are entering a period of extraordinary change for local government in an increasingly uncertain world. The work the Panel is doing must, by necessity, chart a path to a very different future for local government and for the communities we serve. We sincerely hope the final report does that in a compelling way.

The Council thanks the Panel for the opportunity to provide feedback on the report. We stand at a significant and unique juncture in the evolution of local governance in New Zealand. It is important that all parties work collaboratively and positively and with courage to ensure a new model of local governance is nurtured to support the amazing communities of Aotearoa New Zealand.

### Key Points

The Council believes the Panel’s final report must clearly spell out the following:

1. We need a new integrated model of government for New Zealand. This review cannot simply be about local government, local governance or local democracy.
2. An integrated wellbeing approach is already embedded in local government legislation and guides everything we do. Local government’s contribution and potential needs to be understood and acknowledged by central government and integrated with national systems and services.
3. The Crown must clarify local government’s role(s) in the national Te Tiriti partnership.
4. It’s time to completely re-think council funding and financing. Councils need to be able to develop new funding approaches tailored to their communities.
5. The review must settle on a single preferred local government structure. Our strong preference is for a unitary council model with the flexibility to be adapted to local needs and preferences.
6. We need a framework to guide the next steps in the change process. This needs to empower local government to move quickly to identify a preferred future governance model with central government funding and support available to facilitate this. The new

government needs to be able to move quickly following the 2023 general election to begin to implement the changes required.

## Submission

**We need a new integrated model of government for New Zealand. This review cannot simply be about local government, local governance or local democracy.**

1. The report makes a strong case for the need for a new integrated model of government that reaches beyond just local government and governance. The new model must be grounded in a joined-up governance system that brings together local and central government, iwi/ hapū and communities and be based on partnership and reciprocity. This requires a system design that delivers outcomes at the most appropriate level with clear criteria, consistent with the principle of subsidiarity, for determining where decision-making, funding, service capability, capacity and accountabilities are best located.
2. Currently we see little evidence of partnering being hard-wired into government planning and delivery processes. The Government’s Social Sector Commissioning 2022–2028 Action Plan, is aimed at *“Transforming the way social supports and services are commissioned so that they best support people, families and whānau to live the lives they value”*<sup>1</sup>. It details how the Government will work with iwi/ whānau, NGOs and communities to deliver better social services and outcomes. The document refers to local government just once, with “local council” as being identified as an “other party”<sup>2</sup>. In the context of this review this is alarming.
3. Councils and their communities have a shared sense of place – tūrangawaewae – that is essential to building thriving local communities. A well-functioning democracy cannot exist without this strong sense of place and feeling of belonging that drives social cohesion and engagement in civic and national processes. It enables us to transcend an increasingly virtual world and ground our sense of community in the reality of our people. This needs to inform decisions about wellbeing and service delivery tailored to individual communities.
4. Councils provide meaningful opportunities for participation in decision-making in local and regional contexts. This enables citizens to influence how their personal and community needs are met and to hold their representatives accountable for the performance of functions at the most appropriate level. The importance of this has been highlighted in our community’s response and ongoing recovery from the impacts of devastating earthquakes in partnership with central government agencies, councils in Greater Christchurch and our many community organisations.
5. This whole-of-community approach will not be achieved without a major paradigm shift. To drive that shift we believe the final report must recommend statutory recognition of councils as government partners. Legislation needs to embed the roles of mayors and councillors as elected community leaders and representatives in an integrated government framework that enables inclusive and responsive decision-making.

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<sup>1</sup> [Social Sector Commissioning 2022-2028 Action Plan \(msd.govt.nz\)](https://www.msd.govt.nz/our-work/our-approach/social-sector-commissioning-2022-2028-action-plan)

<sup>2</sup> [Social Sector Commissioning 2022-2028 Action Plan \(msd.govt.nz\)](https://www.msd.govt.nz/our-work/our-approach/social-sector-commissioning-2022-2028-action-plan) Pg. 8.

An integrated wellbeing approach is embedded in local government legislation and guides everything we do. Local government's contribution and potential needs to be better understood and acknowledged and integrated with national systems and services.

6. Local and central government, iwi/ hapū/ Māori agencies and community organisations are already all in the business of improving community wellbeing. We need to work together better, with appropriate funding mechanisms, to maximise our collective impact and efficiency.
7. The purpose of local government as stated in the Local Government Act 2002 (LGA) includes to "...*promote the social, economic, environmental, and cultural well-being of communities in the present and for the future*". Wellbeing sits at the centre of our strategic direction-setting and service delivery.
8. No single organisation or sector has the ability to deal with the complex issues inherent in today's world. Partnership and collaboration is vital to bring together the full range of resources and expertise required to address issues such as poverty, housing, community health and safety, community resilience and climate change.
9. Integrated approaches to deal with complex issues take time and resources to develop and require the total commitment and confidence of all parties towards supporting partnership and collaboration. Engendering this level of commitment must be a key priority of the Panel.
10. Councils already offer a range of programmes and resources that facilitate community action. For example, this council's parks partnership programme supports better environmental outcomes as well as enabling community members to connect and develop as leaders. Just one of these projects, working towards a Healthy Ōpāwaho / Heathcote River, involves over 100 schools and early education centres. We have many other similar examples of working with our communities to achieve common goals
11. The draft report provides excellent examples of the work some councils are doing but also implies that this level of community collaboration is the exception. We believe most councils are engaged with their communities in similar ways already. The final report must be clear about this and the opportunities this work, appropriately aligned with and supported by central government, presents for developing more integrated approaches to delivering wellbeing.
12. Council facilities present opportunities to leverage broader wellbeing dividends. Aquatic centres, sports fields, gyms, cycleways and parks all promote active, healthy communities. Central government could leverage this by partnering with local government to provide facilities and promote the use of those facilities through initiatives like Green Prescription. We encourage the Panel to clearly articulate the potential for partnership to deliver better community health and wellbeing outcomes leveraging what is already provided.
13. The panel's final report needs to highlight the opportunities available to build local government knowledge, skills and networks into integrated community responses. This will in our view require a refocus change within central government agencies as well as in local government.

### The Crown must clarify local government's role in the Treaty partnership

14. We are in a period of evolution with respect to the role of local government in the Treaty partnership with council roles increasingly being positioned within the core partnership

rather than on the periphery or as an optional inclusion. Councils are a creature of statute and therefore legislation must be clear about the status and role of local government in the Tiriti partnership.

15. While the LGA requires councils to provide ways for Māori to participate in decision-making there is no context as to the desired outcome of this participation. Words currently used in the Act, such as ‘providing opportunities’, ‘taking into account’ and ‘considering’ do not provide the clarity needed to require appropriate relationship building with Tiriti partners.
16. We agree that Tiriti partnerships need more resourcing and capability and we recognise the pressures the constant requests for engagement and consultation place on hapū/ iwi/Māori. Also, requests often do not acknowledge te ao Māori approaches or the importance of conversations happening kanohi ki te kanohi (face-to-face). Local government’s place-based role and connection to community needs to be leveraged to strengthen the overall partnership. This will require central government investment in building hapū/ iwi/Māori and council capacity and capability to enable the Treaty partnership to continue to evolve in ways that benefit all parties.
17. This council supports mana whenua/Māori representation as part of an inclusive, community-focused decision-making approach. This needs to be able to be adapted to suit local needs and preferences and particularly those of mana whenua.

### It’s time to completely re-think council funding and financing. Councils must have access to sustainable funding approaches

18. We agree we have reached “peak rates” and that alternative funding mechanisms need to be enabled to supplement rates revenue. This is particularly important if councils are to deliver community wellbeing via transformational rather than transactional approaches.
19. Councils need to be able to work with their communities to tailor funding approaches to the needs and preferences of their communities. We agree with the opportunities the Panel has identified to strengthen the future funding system.
20. We agree with the Panel’s key finding that “The absence of a sustainable and equitable co-investment model is undermining the potential for central and local government and iwi to partner for better community outcomes”. We would go a step further and say such partnering simply can’t and won’t happen without new sustainable and equitable co-investment.
21. A new collaborative local governance model needs to have co-funding at its foundation from the outset. Co-investment mechanisms need to be flexible enough to evolve over time – they must be able to be bespoke if that’s what is needed for effective partnership arrangements to develop and more generic across councils and services where this can promote efficiency.
22. We support the Government providing funding to councils via the return of GST paid on rates. Work needs to be done to optimise how this can reach communities in a fair and equitable way, which is likely to include weighting based on need or deprivation.
23. The Council also believes central government funding should reward councils for facilitating sustainable growth. Currently councils bear much of the costs of development through the required investment in infrastructure to support growth, while central government reaps much of the rewards through increased taxation. If councils were incentivised to promote sustainable growth by way of central government funding assistance this would provide significant benefits to both parties and the country as a whole. A New Zealand Inc. approach is needed if we are to grow sustainably as a nation.

24. The report picks up on the issue of unfunded mandates and we strongly support the need for these to stop and for regulatory impact statement to be required to detail impacts (particularly costs) on local government. The recent requirement issued by the Director General of Health for councils to fluoridate water supplies and to fund this themselves (without having budgeted for it) is the latest example of this. A more collaborative approach to decision-making and funding is needed.
25. We welcome the panel's recommendation to establish a central government intergenerational climate fund. However we urge the panel to provide more direction in their recommendations, in particular on how much funding is required, when it is needed, and how it should be made available, noting the uneven distribution of climate change impacts across councils, and the need for funding certainty to enable local adaptation.
26. The Council believes sections 8 and 9 of the Local Government (Rating) Act 2002 (which prescribe what land is non-rateable and part-rateable) should be repealed. Councils should be empowered to make these decisions in consultation with their communities.
27. Finally, following on from the point above, the Council strongly believes the Crown, government agencies and organisations like Water Service Entities should pay all relevant rates and council charges. This has been raised in previous reviews (such as by the Productivity Commission) and should be addressed with urgency.

**The review must put forward a single preferred local government structure. Our strong preference is for that to be a unitary council model with flexibility to adapt to local needs and preferences.**

28. The three waters and environmental management reforms will shift significant local authority functions and budgets to new entities including assets currently held in CCOs and CCTOs. This will affect the viability of all councils and it is reasonable to expect that many will not be able to function as they currently do in future. This major risk to community wellbeing, local democracy and institutional capability needs to be clearly articulated in the final report as does the resulting need for change. If reforms continue as currently planned then local government must change – there is no way to avoid this.
29. We must move as quickly as possible to a local government structure that responds to the impacts of three waters and environmental management reforms, and is flexible enough to enable local representation preferences to be incorporated and have the potential to be scaled up as councils seek economies of scope in the future.
30. The unitary council model offers that functional flexibility as well as enabling the scaling of representation to fit all communities through the use of wards, and local or community boards to provide local representation and service provision. This Council is proposing a model rather than specific geographic boundaries, as these would need to be informed by a range of design principles agreed with local government. These principles could potentially include some or all of the following:
  - relevant scale for efficient and effective service delivery to community need;
  - Geography/catchment;
  - History and sense of identity;
  - Iwi rohe considerations;
  - Central government service delivery models e.g. health, education, civil defence.

31. In essence unitary councils would assume responsibility for functions currently provided by regional councils as well as the residual functions of local authorities. Functions currently undertaken by central government would ideally also be delegated to unitary authorities over time, which could include elements of housing, education, community and public health, climate adaptation and community safety.
32. The unitary authorities would need to be sufficiently large to provide economies of both scale and scope but not so large that representation and decision-making is perceived as remote and lacking local knowledge and context. Decisions on the geographic size and governance design (such as the inclusion or not of local boards or community boards) should be driven to the extent possible by local communities.
33. Local government reorganisation has in the past proved contentious. Communities are often deeply attached to what they have and can be reluctant to change their representation arrangements. There needs to be a decision-making framework based on sound principles that enables communities to have the right conversations and find the solution that suits them best. Central government needs to support the change process and be prepared to facilitate movement if required.
34. The report needs to be clear that the current representation arrangements are not possible following three waters and resource management reform and that change is required.

### A clear implementation plan is required with funding and appropriate structural proposals that empower local government

35. Three waters and resource management reform and the new climate change legislation will fundamentally change the roles and functions of local government. The draft report does not provide a compelling case for change to be pursued with urgency - it needs to.
36. Currently the suite of reforms are being progressed piecemeal creating uncertainty and hindering the ability of local government to engage meaningfully in consultation or to plan appropriately for implementation. We need a roadmap to show how the reforms fit together and how the processes are working together to create vibrant and engaged communities focused on promoting collective wellbeing. The current uncoordinated approach has high risk and is having the opposite effect.
37. At times these reforms cross reference each other, implying outstanding matters will be addressed by other processes. For example, the National Adaptation Plan suggests the Future for Local Government review will clarify the role and function of local government in adaptation, which it can't do in isolation. This risks unintended consequences and policy gaps. Local government will be at the coal face responding to these issues and we are concerned with the current lack of clarity and cohesion. The current approach will certainly not deliver government's desired outcomes in housing, wellbeing, climate resilience and other critical areas.
38. At a minimum the Panel's final report must provide a realistic pathway for local government to engage with central government on the future of the sector. This means presenting an approach for structural change (which may vary across regions), and recommendations to address funding and financing issues urgently. Recommendations should be situated within the context of the overall reform programme and enable a conversation between local and central government on the best way forward. The final report must also clearly set out the consequences of failing to implement necessary changes.

We understand the enormity of the challenge the panel faces to put forward a blueprint for the future for local government at a time of unprecedented change. However the panel can't shy away from putting forward a compelling case for specific change that can and must be implemented with urgency.

We look forward to the government being willing to act decisively to work with local government to make changes and to partner to create better communities.

Our feedback on the report recommendations and the questions raised is attached.

Thank you for the opportunity to provide this feedback. For any clarification on points raised please contact David Griffiths, Head of Strategic Policy and Resilience.

[david.griffiths@ccc.govt.nz](mailto:david.griffiths@ccc.govt.nz).

Yours sincerely

*Signed by the Mayor (Council submission) or CEO (staff submission)*

DRAFT