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Future for Local Government Review

Futureforlg@dia.govt.nz

## Canterbury Mayoral Forum Submission to the Review into the Future for Local Government

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1. The Canterbury Mayoral Forum thanks the Future for Local Government Review Panel (the Panel) for the opportunity to provide feedback on *He mata whāriki, he marawhānui*.

### Background and context

2. The Canterbury Mayoral Forum comprises the mayors of the ten territorial authorities in Canterbury and the Chair of the Canterbury Regional Council (Environment Canterbury), supported by our Chief Executives. The purpose of the Forum is to promote collaboration across the region and increase the effectiveness of local government in meeting the needs of Canterbury's communities.
3. The eleven local authorities are: Kaikōura, Hurunui, Waimakariri, Selwyn, Ashburton, Timaru, Mackenzie, Waimate and Waitaki District Councils, the Christchurch City Council and Environment Canterbury.
4. In this submission, the Canterbury Mayoral Forum provides high-level feedback on the Future for Local Government review (the Review) and addresses some of the specific chapters of *He mata whāriki, he marawhānui*.
5. We are aware that some Canterbury councils are making more detailed individual submissions and we ask that the Panel carefully consider each of these.

*Mayors standing together for Canterbury.*

Secretariat, E: [secretariat@canterburymayors.org.nz](mailto:secretariat@canterburymayors.org.nz) W: [www.canterburymayors.org.nz](http://www.canterburymayors.org.nz)  
C/- Environment Canterbury, PO Box 345, Christchurch 8140 T: 03 345 9323

Ashburton District Council • Canterbury Regional Council • Christchurch City Council • Hurunui District Council  
Kaikōura District Council • Mackenzie District Council • Selwyn District Council • Timaru District Council  
Waimakariri District Council • Waimate District Council • Waitaki District Council

## **General comments**

6. The Canterbury Mayoral Forum strongly supports the statement that local government has a critical role to play in Aotearoa New Zealand's governance, building strong, healthy, and prosperous communities, now and into the future.
7. We strongly support the concept of localism and subsidiarity in that the function of governance and decision making should be devolved to the level of government closest to affected communities.
8. The Canterbury Mayoral Forum strongly advises the Panel to clearly articulate the importance and strengths of local government and what needs to change to ensure local governance and government systems are fit for purpose for the next 30 years.
9. We also acknowledge the significant reforms currently underway will have a direct impact on the role that local government will have in New Zealand's governance.
10. The Canterbury Mayoral Forum has serious concerns that the opportunity for positive and aspirational change through the Review is at risk due to the reform programme. We have advocated with Ministers, and most recently with Prime Minister Hipkins, that the reforms programme should be slowed down or paused until the Review is completed.
11. It is the Canterbury Mayoral Forum's view that the final report and recommendations from the Panel must be compelling, specific and prioritised so that it is clear to central government what is required to address the key issues, and in particular funding challenges and the relationship between central and local government.
12. As noted in other Canterbury council submissions, the final report should be seen as an opportunity to provide an evidence-based platform to progress what changes local and central government need to make in the short, medium and long-term to maximise the wellbeing and resilience of communities.

## **Central and local government relationship**

13. A genuine central and local government partnership, founded on mutual respect and trust is critical to how local government, central government and communities can best be integrated to deliver genuine wellbeing outcomes.
14. Local and central government must see each other as equals.
15. Whether our funding is via taxes or rates we are supporting the same people and the same communities.
16. Local government in Canterbury has demonstrated its capability in so many ways to deliver positive health care, education, housing and public safety outcomes based on a better understanding of our communities need. We seek to exploit our capability and experience in these areas with greater delegation of central government funding and

responsibility to allow local government to deliver what is required, at the right level and at a faster pace than central government can deliver.

17. A better understanding across government of how the layers of local and central government work, and their different roles and functions, would lead to a more effective and efficient local government – and one that both central government and the public understand.
18. As noted in the report the Canterbury Mayoral Forum agrees that the relationship between central and local government plays out at an interpersonal level – between people, however even though the relationships are interpersonal, they are affected and shaped at a structural level. It is critical that the structures of government support the ability to improve the relationships between all levels of government.
19. Wellbeing stands at the heart of local government work and this contribution needs to be better understood and integrated with national systems and services.
20. Council services and facilities do more than simply promote wellbeing, by addressing a wide range of social, cultural, environmental and economic issues we improve and protect wellbeing through our planning, investments and actions – all intended to enhance the lives of people who live, learn, work and play within our communities.
21. The challenges associated with funding pressures and the central and local government relationship should be addressed as a priority, particularly putting an end to unfunded or underfunded mandates. Central and local government should work together to co-invest in implementing agreed priorities for their communities (who are the same people).
22. Central and local government should agree on arrangements and mechanisms for co-investment to meet community wellbeing priorities, and central government should make funding provisions accordingly.

## **Tiriti-based partnership between Māori and local government**

23. The Canterbury Mayoral Forum acknowledges the weaving of the relationship between local government and Māori throughout the Review and the constructive discussions on a Tiriti-based partnership for local government. In Canterbury, we are in a unique and privileged position as the entire Canterbury region lies within the Ngāi Tahu takiwā. The Ngāi Tahu apology from the Crown which acknowledges Ngāi Tahu rangatiratanga across their takiwā promises a new age of cooperation.
24. The Canterbury Mayoral Forum supports the development of a new legislative framework for Tiriti-related provisions in the Local Government Act, however it is critical that the provisions need to enable the flexibility required so that councils and hapū/iwi can lead and develop arrangements most suitable to their local context.
25. The Canterbury Mayoral Forum supports recommendation 11 for central government to provide a transitional fund to subsidise the cost of building both Māori and council capability and capacity for a Tiriti-based partnership in local governance. To create a

successful partnership considerable investment and resourcing, and a realistic transitional approach, will be required for both local government and Māori.

## **Building an equitable, sustainable funding and financing system**

26. The Review notes very clearly that the current funding system is not sufficient for the future. The continued reliance on rates, even following review and simplification, as the principle mechanism for funding local government is unlikely to address this issue.
27. As noted in the Review local government's share of overall tax revenue has stayed at around 2 percent of GDP over the past 70 years, despite it having a growing number of roles and responsibilities. Local government continues to have increased expectations from its communities and significant unfunded mandates from central government.
28. While rates collection may be relatively straight forward, and make sense from an economist point of view, and should likely remain as one of the key funding sources, opportunities for councils to have access to other funding mechanisms should be expediated.
29. The Canterbury Mayoral Forum supports a review of the current legislation to enable new funding mechanisms, along with the redesign of the long-term plan and rating provisions to enable a more simplified and streamlined process.
30. Central government departments and agencies (including the Water Service Entities), should pay local government rates and charges on their properties, and the charges should include development contributions where necessary. Many local authorities have large tracts of Department of Conservation land that currently is non-rateable, but visitors to the land still consume council services (roading, public toilets etc). Those using the central government agencies are also consuming council services.
31. A key issue associated with the development of a long-term plan budget is the misalignment with other key planning and budget decisions and number of assumptions that must be made about central government funding decisions.
32. A very pressing example of this is the timing of Waka Kotahi's National Land Transport Fund decisions. These are released after the deadline for councils to publish their annual plans and long-term plans. The consequential impact of funding allocations impact on councils' ability to deliver on their planned transport activities. Transport is a significant component of council expenditure and the assumptions of co-funding often do not hold true within weeks of the council plan being published, resulting in rework and variations.
33. We would like to see cross party agreed 30-year infrastructure plans, to avoid changing priorities with new leadership.
34. Initially the numerous instances of central government imposing additional responsibilities onto local government but without the commensurate funding or limited funding should stop.

35. Actively engaging local government as part of the process for undertaking regulatory impact assessments on central government proposals that impact on local government, including the assessment of the future funding impacts and making appropriate funding allowance will encourage positive engagement from local government to proposals put forward by central government.
36. New policy developed in isolation from local government requires councils to pivot on their LTPs and focus resources (implementation, resourcing, administration, and associated communications) to deal with new legislation. Better consultation with local government will allow us to outline the costs/implications of policy change and seek financial assistance from central government and to influence implementation timelines.

## **Replenishing and building on representative democracy**

37. The Canterbury Mayoral Forum would welcome approaches to encourage more diverse representation at the governance level, from all sectors of our communities. As noted in the Review having a body of diverse elected representatives is likely to improve the quality of council decision-making for the whole community by ensuring that decisions take into account the needs and preferences of people with different genders, ethnicities, socio-economic and cultural backgrounds, physical abilities and ages.
38. When people can see themselves reflected in the local council governing body they can also see the relevance of local government to them.
39. The Canterbury Mayoral Forum supports the centralised administration of local electoral processes. Centralisation will enable a more consistent approach to all aspects of the election processes for our communities.
40. A consistent nation-wide voting system is supported by the Canterbury Mayoral Forum. STV is not a system that has Mayoral Forum support – it is poorly understood and complicated to explain and administer. There is a very real risk STV will only further alienate voters from local government elections regardless of who delivers the actual election.
41. Any change in the voting age should apply to all central and local government elections. Several councils in Canterbury have youth councils where young people are providing their voices to local issues. The Canterbury Mayoral Forum also supports the introduction of civics education into school curriculums.
42. Better remuneration and support for elected members is supported by the Canterbury Mayoral Forum. As noted in the report in many cases large sections of the community cannot “afford” to stand for council. Better remuneration will likely contribute to more diverse candidates putting themselves forward for election. In reviewing the level of remuneration comparisons should be made not only against parliamentary remuneration but also other governance roles and the local context.
43. The Canterbury Mayoral Forum supports the discussion on page 175 in relation to the argument for extending the election cycle to four years, however believes that this must

be considered at the same time for central government. The same rationale for extending to four years for local government equally applies to central government.

## **Designing the local government system**

44. The Canterbury Mayoral Forum acknowledges that to ensure the country has a fit for purpose local government system to serve our communities over the next 30 years that there will need to be changes in the current system.
45. Some of these changes will occur as a result of the current government reforms in resource management and three waters, however further change may also be required.
46. While individual councils within Canterbury have their views on system design, the Canterbury Mayoral Forum is more concerned that with any re-design of local government the critical factors to take into account are the roles and functions of the different levels of local government.
47. Equally important will be ensuring that our communities are engaged prior to progressing with any redesign.

## **Conclusion**

48. Thank you once again for the opportunity to make a submission on *He mata whāriki, he marawhānui*.
49. Our secretariat is available to provide any further information or answer any questions the Review Panel may have about our submission. Contact details are: Maree McNeilly, Canterbury Mayoral Forum Secretariat, [secretariat@canterburymayors.org.nz](mailto:secretariat@canterburymayors.org.nz) , 027 381 8924.

Ngā mihi



Nigel Bowen  
Mayor, Timaru District  
Chair, Canterbury Mayoral Forum