

Council Briefing Agenda

Date: 24 November, 2021

Time: 9:00 am

Location: Council Chamber
Forum North, Rust Avenue
Whangarei

Elected Members: Her Worship the Mayor Sheryl Mai
(Chairperson)
Cr Gavin Benney
Cr Vince Cocurullo
Cr Nicholas Connop
Cr Ken Couper
Cr Tricia Cutforth
Cr Shelley Deeming
Cr Jayne Golightly
Cr Phil Halse
Cr Greg Innes
Cr Greg Martin
Cr Anna Murphy
Cr Carol Peters
Cr Simon Reid

For any queries regarding this meeting please contact
the Whangarei District Council on (09) 430-4200.

1. Apologies

2. Reports

2.1. Issues and Options LTP Amendment 2021-2031 1

2.2. Local Government Reform 53

3. Closure of Meeting

2.1 Issues and Options: Long Term Plan Amendment 2021-2031 Oruku Landing Conference and Multi-Events Centre

Meeting: Council Briefing
Date of meeting: 24 November 2021
Reporting officer: Alan Adcock (General Manager, Corporate)

1 Purpose

To review the community feedback received and the options available to Council; which are detailed within the attached Issues and Options Report on the proposed Long Term Plan 2021-2031 Amendment for the Oruku Landing Conference and Multi-Events Centre.

2 Background

During the confidential workshop held on 16 September, the critical pathway for the project was reviewed; this included the documentation required for the Amendment and the key decision-making dates required to meet the deadline for funding (30 November 2021) from Crown Infrastructure Partners (CIP).

To produce the Consultation Document and the relevant supporting information, the financial forecasts included the full scope and cost estimates for the project as at 17 September 2021. The CIP funding investment was based on the entire project package which consists of the main building structure, and includes other high value project components including a pedestrian bridge across the Hatea River, a walkway and ferry terminal.

On 14 October 2021, Council adopted for consultation the audited Consultation Document and Supporting Documents which were subject to the Special Consultative Procedure process under the Local Government Act 2002. These documents were available to the community for consultation between 18 October and 18 November 2021

As the public consultation progressed, on 4th November 2021 Whangarei District Council received a Preliminary Design Report on the Oruku Landing Conference and Events Centre (CEC) prepared by Beca Ltd.

The Beca Report indicated that the costs for the project could be up to \$13.15m higher than the estimate of up to \$123m that Council knew of at the time consultation began (18 October). If Council were to proceed with the project with the extra \$13.15m of costs the effect would be an additional general rates increase of 1% on top of the 6% in the consultation document, totalling a 7% increase.

Council continued with the consultation (which commenced on 18 October) and published a one-page information sheet covering the revised information on the WDC website. Staff contacted the 1990 submitters, who had already submitted their preferred option and opinion

as soon as the new information was known, informing them of the change and noting that they were able to re-submit on the updated information.

Consultation closed on 18 October with a total of 5242 individual submissions received.

3 Discussion

In compiling the report 4724 of the 5242 individual submissions received have been analysed to produce the Issue and Options Report (as of 6pm on 18 November).

- 1021 (22%) submissions received were in favour of the Council continuing with the project
- 3682 (78%) submission received were in favour of the Council taking no further action with the project

Due to time pressures, there are approximately 500 submissions (at the time of writing) yet to be analysed for their preferred option, however, the submissions can still be viewed within the submission volumes.

The Issues and Options Report (attached) splits the report into three parts:

3.a – Those generally supporting Council proceeding with the project

- key themes from submissions are summarised below:
 - Future proofing Whangārei
 - Economic Benefits
 - Social & cultural benefits
 - Location
 - Other

3.b – Those generally supporting Council abandoning the project

- key themes from submissions are summarised below:
 - Rates rise
 - Whangārei Hospital
 - Environmental issues
 - Parking / lack of
 - Waste of money / use money for something else
 - Other

3.c – Resubmissions

- Analysis of feedback following revised costs updated as of 8 November 2021.

As discussed throughout the LTP Amendment process, Council is working on very tight timeframes to meet the funding deadline date of 30 November from CIP.

Next Steps following Deliberations on 26 November 2021:

If Council decides to proceed with the project, the following steps must be taken:

- Inform CIP and Northland Regional Council as funding partners
- Compile a draft LTP Amendment document for Audit NZ
- Work through the Audit process prior to adoption of the LTP Amendment on 21 December 2021

If Council decides to abandon the project, the following steps must be taken:

- Inform CIP and Northland Regional Council as funding partners
- Inform Audit NZ as the Amendment will cease
- Cancel subsequent Council Meetings with regards to the LTP Amendment

4 Attachments

- Issues and Options Report LTP 2021 – 2031 Amendment (page 5)
- Have Your Say event feedback (page 19)

NOTE: The submission volumes will be uploaded to the WDC website for Elected Members and the community to view from 19 November 2021.

Issues and Options Report LTP Amendment.docx

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NOVEMBER 24, 2021
WHANGAREI DISTRICT COUNCIL

Table of Contents

Part One: Background and timeline	3
Part Two: Options for Consultation	4
• Revised Options for consideration	4
• Revised Options detailing the funding required and impact on General Rates:.....	5
• Decision Making	5
Part Three: Formal submission breakdown	6
• Analysis of feedback / key themes.....	6
3.a - Those generally supporting Council proceeding with the project	7
3.b - Those generally supporting Council abandoning the project.....	9
3.c – Resubmissions	11
Part Four: Consultation and Engagement Programme	12
• Have Your Say Events	12
• Website interactions:	12
• Social media and digital advertising campaign	12

Part One: Background and timeline

The Local Government Act 2002 (LGA) requires Councils to produce a Long Term Plan (LTP) every three years. If Councils wish to amend a Long Term Plan within this three-year period, under s93A a consultation document must be prepared and adopted in accordance with sections 93B to 93G.

During the confidential workshop held on 16 September, the critical pathway for the project was reviewed; this included the documentation required for the Amendment and the key decision-making dates required to meet the deadline for funding (30 November 2021) from Crown Infrastructure Partners (CIP).

In order to produce the Consultation Document and the relevant supporting information, the financial forecasts included the full scope and cost estimates for the project as at 17 September 2021. The CIP funding investment was based on the entire project package which consists of the main building structure, and includes other high value project components including a pedestrian bridge across the Hatea River, a walkway and ferry terminal.

A draft Consultation Document and draft supporting information was presented to Council during a Briefing held on 29 September 2021. This step was necessary to enable Audit New Zealand / Mana Arotake Aotearoa to review the required documentation before consultation begins on 18 October 2021.

Council subsequently adopted the audited Consultation Document and Supporting Documents required for consultation and engagement with the community on 14 October 2021.

From today, the key dates for this Amendment are as follows:

Activity	Date/time	Topic
Council Briefing	9am Wednesday 24 November 2021	Issues & Options
Council Meeting	9am Friday 26 November 2021	Deliberations
Inform Crown Infrastructure Partners (CIP)	Afternoon Friday 26 November 2021	Council's decision following Deliberations
Council Meeting	9am Tuesday 21 December 2021	Adoption of the LTP 2021-2031 Amendment

Part Two: Options for Consultation

Public consultation on the Long Term Plan 2021-2031 Amendment for the Oruku Landing Conference and Events Centre was undertaken for one calendar month between 18 October and 18 November 2021

The Consultation Document, adopted by Council on 14 October 2021, presented two options for community feedback:

- **Option 1:** Spend up to \$57m investing in the Oruku Landing Conference and Multi-Events Centre with Council owning the property, managing the build and covering the ongoing costs of depreciation and maintenance, and underwriting any losses.
- **Option 2.** Council takes no further action regarding the Oruku Landing Conference and Multi-Events Centre

As the public consultation progressed, on 4th November 2021 Whangarei District Council received a Preliminary Design Report on the Oruku Landing Conference and Events Centre (CEC) prepared by Beca Ltd.

The Beca Report indicated that the costs for the project could be up to \$13.15m higher than the estimate of up to \$123m that Council knew of at the time consultation began (18 October). If Council were to proceed with the project with the extra \$13.15m of costs the effect would be an additional general rates increase of 1% on top of the 6% in the consultation document, totalling a 7% increase.

Council continued with the consultation (which commenced on 18 October) and published a one-page information sheet covering the revised information on the WDC website. Staff contacted the 1990 submitters, who had already submitted their preferred option and opinion as soon as the new information was known, informing them of the change and noting that they were able to re-submit on the updated information. The updated information was also included in the presentations given at the Have Your Say public engagement evenings (8, 9, 11 November) and made available at Council offices and through the Customer Service Centres.

From Monday 8th November through to the closure of consultation, the questions posed to the public remained the same for Option Two, however Option One included an additional paragraph which is stated below:

- *REVISED COSTINGS AS AT 4 NOVEMBER 2021 Following the receipt of updated costings in November 2021, the projected Council spend for the project at current scope has been revised to up to \$70m.*

- **Revised Options for consideration**

The project has moved significantly in cost during the period of consultation; however, there are clear options that Council must consider to make an informed decision.

The funding required from Council, under different options for the project are noted below in the table; and are based on the following:

- i. (up to) \$57M from Council, as per the information contained within the Consultation Document
- ii. (up to) \$70.15M, as per the Beca Preliminary Design Report received on 4th November

The Beca report also gave costings which could potentially be removed to reduce costs, such as the ferry terminal and footbridge, which are summarised here:

- iii. (up to) \$67.55M, if the ferry terminal was removed from the project
- iv. (up to) \$49.40M, if the ferry terminal AND the footbridge were removed from the project

- **Revised Options detailing the funding required and impact on General Rates:**

The options (if Council decides to proceed with the project in some form) are presented below:

	Costs in \$m			
	i.	ii.	iii.	iv.
Project components	As per Consultation Document	Revised costs – Beca Preliminary Design Report	Removal of Ferry Terminal	Removal of Ferry Terminal AND Footbridge
Multi-Events Centre	80.000	87.450	87.450	87.450
Seawall / Boardwalk	8.300	15.650	15.650	15.650
Related Infrastructure projects	2.300	2.300	2.300	2.300
Land purchase	10.000	10.000	10.000	10.000
Footbridge	20.000	18.150	18.150	
Ferry terminal	2.600	2.600		
Total project cost	123.200	136.150	133.550	115.400
Northland Regional Council funding	6.000	6.000	6.000	6.000
Crown Infrastructure Partners funding	60.000	60.000	60.000	60.000
Total additional funding	66.000	66.000	66.000	66.000
WDC funding required	57.200	70.150	67.550	49.400
General rates increase required	6%	7%	6.75%	5.50%

- **Decision Making**

Following the conclusion of the of consultation period; Council must decide on the way forward for the project after reviewing all submissions and considering the options analysis (Part One and Two of this report) prior to reaching a decision about the project at the Deliberations Meeting on 26th November.

Part Three: Formal submission breakdown

Submissions closed at 5pm on Thursday 18 November 2021.

Formal submissions were able to be made online, via email, via post and/or delivered to Council offices. The submissions were received from members of the public, organisations, groups and businesses, the following is a breakdown of the percentages

A total of 5242 individual submissions received, of which 4724 submissions have been analysed and processed as of 6pm on 18 November:

- 4292 (82%) on-line submissions
- 707 (13%) by email
- 230 (4%) delivered (hard copies)
- 13 (1%) withdrawn or duplications

There are approximately 500 submissions (at the time of writing) yet to be analysed for their preferred option, however, they are included in the submission volumes.

Of the 5242 submissions received, 115 were updated submissions following the revised costs update on 8 November. Of the 115 updated submissions, none changed their preferred option, their statements contained within the original submissions were updated.

- **Analysis of feedback / key themes**

3.a – Those generally supporting Council proceeding with the project

- Analysis of feedback through formal submissions

3.b – Those generally supporting Council abandoning the project

- Analysis of feedback through formal submissions

3.c – Resubmissions

- Analysis of feedback following revised costs updated as of 8 November 2021.

NB: Late submissions

- Formal submissions received after the deadline of 5pm on Thursday 18th November will be prepared and presented under a Supplementary Item for the meeting on 24th November.

3.a - Those generally supporting Council proceeding with the project

Feedback from consultation / Submission analysis:

Of the 4724 submissions processed 1021 (22%) were in favour of Council continuing with the Oruku Landing Conference and Multi-Events Centre Project.

Summary of comments and key themes raised from these submissions are provided below:

Future Proofing Whangārei:

- Whangārei needs projects and facilities like this to keep the city moving forward
- Next step in our city's maturity
- Whangārei 'cannot' afford not to have it
- We need to be put on the 'map' as a place viable and attractive destination
- A modern city for visitors and locals to enjoy
- It will become iconic to Whangārei
- New business, new jobs, new money, new happiness, new pride!
- We need this facility to grow
- The new spaces and facilities are accessible for all and that there is the lens of the person living with disabilities throughout design to implementation
- We are only a couple of hours up from Auckland we should be operating at their level

Economic benefits:

- I do not want to lose the \$60m of government backing
- Project will provide more jobs
- Project will attract more events, conferences, and performances
- Will attract more businesses to move into the city
- Great for Tourism operators
- Short term pain in terms of a rate increase but what a gain for the City of Whangārei to be made by pressing ahead
- Oruku Landing will be a tourism magnet
- Building a facility like this will never be cheaper than it is today
- Our city is severely lacking in commercial draw and this may help
- The impetus for outside investment will be hugely beneficial.

Social & cultural benefits:

- Great development for the younger generation
- The youth are the future, so build something here that will keep them here
- Educational shows, such as Nano Girl will come here!
- It will be a place to meet!
- Whangārei will become a destination instead of a drive-thru town
- Ensure there are cafes, bars and restaurants that stay open late
- Make some room for food trucks and events to happen outside around the river
- Would love if it included some sort of Maori designs on the interior and exterior

Location:

- It will be fantastic to see the waterfront 'coming alive'
- It's aesthetically pleasing, it will be great to see the 'other' side of the Basin regenerated
- Better than travelling to Kerikeri to see a show!

Other comments:

- The council has shown some bold leadership and vision upgrading the town basin area into a vibrant and attractive destination..... keep going with that vision
- What will the rates rebate be? Is this an option available to Council?
- The commercial case for a 4-star hotel would likely not stack up until international visitors have entry restrictions removed
- We could host training events for the hospital such as life support courses

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3.b - Those generally supporting Council abandoning the project

Feedback from consultation / Submission analysis:

Of the 4724 submissions processed 3682 (78%) were in favour of Council taking no further action with the project.

Summary of comments and key themes raised from these submissions are provided below:

Rates rise:

- Cost to ratepayers is too high and WDC carries the risk and cost of failure
- The projected rate rise is too big and too unsustainable
- I don't see how increasing our rates to pay for something that should be privately owned and funded through that would benefit us in any way
- This would not benefit the ordinary rate payers of the city who are already having to struggle to pay rates for things that do not benefit their communities
- We are against the Oruku landing as we cannot afford an increase in rates
- Are you mad? My rates have increased \$1200 in last 7 years that's more than my wages have increased. Think there is a massive disconnect from the working class to the councils priorities
- I do NOT want another increase in our rates to help fund such a project
- If this proposal had real economic potential then it should stack up without requiring ratepayer contribution
- This city has many people on lower incomes an increase in rates will not help them at all
- I feel that with the current economic chaos created by Covid, lock downs etc, now is not a good time to be increasing rates
- Its just not the right time for this project with lots of people hurting financially due to COVID
- Rates are too high already

Whangārei Hospital:

- Our public hospital needs repairing, medical, staffing, E.D. area is too small, especially with Covid Pandemic
- Concentrate on the hospital upgrades
- There are far more important things to spend ratepayers money on, like Whangārei hospital
- I consider it is way more urgent to spend resources to fix and improve the conditions of the Whangārei hospitals in such times of pandemic and elevated health risks
- Prefer money went to the hospital for development

Environmental issues:

- The site is in a tsunami evacuation area
- The site is subject to threat from sea level rise and needs a further elevation by at least 2 meters to overcome this issue
- It is too close to the Hatea River, particularly with climate change, flooding risks are increased
- Clean our major river down the Hatea

- when the entire world is moving toward sustainability and limitation of CO2 emissions, constructions such as the one proposed are in net contrast with the present needs and completely out of time

Parking / lack of:

- We need more parking for employees who work in central CBD
- Parking for up to 1000 attendees will be a major problem and has not been allowed for sufficiently, subsequently the sighting of such a building is wrong
- Parking in the city is terrible already

Waste of money / use money for something else:

- I am opposed to the spending of ratepayers money when there are other more urgent needs required in the area
- The money could be better spent on local infrastructure improvements, improving the hospital facilities, the Otaika Valley roundabout is still not finished
- The Parua Bay Bridge is subsiding
- Roads are failing
- Improve Forum North
- Housing crisis, would it not be better to see families in warm clean homes instead of over crowding places like motels, sheds, garages
- Not in these times please
- A complete waste of money!
- There are a lot of venues already available and some are in need for support. That would be a better way to spend ratepayers money
- Wrong timing for such a project when infrastructure requires such desperate attention
- We already have Forum North which while a bit dated, can easily be modified for many less dollars than the Oruku Landing project

Other:

- We already have more than enough possible places to hold conventions and other type of events we DONT need another centre
- Leave the site for private development
- Rates are already plenty high enough in the current economic climate. the roads are a mess, congestion is growing. Sort out the basics before hitting the 'nice to have' list
- It will become an expensive white elephant!
- Absolutely ridiculous to build this facility when there's no need for it
- I am against the council incurring any further debt towards oruku landing project, if private enterprise wish to build a hotel on the site I am in favour of that without the councils involvement

3.c – Resubmissions

Feedback from consultation / submission analysis:

Of the 5242 submissions received, 115 were updated submissions following the revised costs update on 8 November.

Those adding to their submission for the continuation of the project are summarised below:

- To cancel the project will turn the clock back 20 years and will relegate the city further
- The drawcards of the loop walk and the Hundertwasser Museum make the location of the Oruku Landing proposal perfect
- I understand that the rates increase will be slightly higher than originally forecast but my husband and I still support the project - and would like to see the new bridge go ahead as part of the development also
- Eliminate the bridge and ferry options, if warranted they can be added in the future
- Seek further CIP funding to keep WDC costs as originally proposed
- We should definitely support oruku landing with money. It will develop the waterfront and be good for Whangārei
- Even with the added cost, I believe this town needs a convention/conference centre, it would bring much to the community
- Having just seen the updated cost revision, in my opinion the bridge should be cancelled at this stage
- It will provide a much needed cash injection into the local economy following the upcoming loss of our refinery
- Still firmly believe it should go ahead. In spite of the cost it has to be a win win project for the good of the city.

Those adding to their submission for the Council to abandon the project are summarised below:

- The proposal is too much relying on public funding (rates and from income tax sources).
- The additional costs that have been announced today for oruku is no surprise to me, I am absolutely totally against the extra pressure this will put on ratepayers
- This is my second submission, given the new extra cost I no longer give even partial support to the events centre.
- I am disgusted with this council wasting my money on this kind of thing when there are more important things they could be doing especially for the disabled
- I am now NOT in favour of the development. I think a greater contribution from central government, or elsewhere, is needed to make this project fly - without imposing a substantial burden on ratepayers
- I have now decided this is a terrible waste of my rates and the council are spending too much of our money so NO TO ORUKU!!!!
- Costs being unknown in this uncertain time
- If this is such a great idea, why don't the developers fund & operate it themselves
- Do not proceed with this - the cost is not going to stop increasing
- I emailed WDC that I am against this development, Young families face rising costs with housing, food and petrol all going through the roof already. Potentially now having to find a few hundred dollars extra for increased rates each year means something else will have to give.

Part Four: Consultation and Engagement Programme

- **Have Your Say Events**

These events were held during the consultation period as there were no formal Hearings scheduled due to the time constraints of the LTP Amendment. There was strong presence by Elected Members.

The events contained a short presentation on the project followed by a korero between the community and Elected Members; each member of the public wishing to speak was given five minutes in which to raise questions or simply to voice their opinions directly to the Elected Members.

The original documents with all feedback have been available for Elected Members who were unable to attend every event to review and consider.

The key themes / queries were noted by a staff member facilitating the korero and has been summarised for consideration as a separate volume. The summarised feedback is in-line with the submissions received which is detailed within Part Three of this report.

The total number of people who attended the Have Your Say events was 246 and a breakdown for each event is noted below:

Event	Total Registered	Attended - Registered	Attended non-registered	Total Attendance
Ruakaka	50	42	25	67
Whangarei	150	116	39	155
Hikurangi	28	19	5	24
				246

- **Website interactions:**

The Have Your Say pages and feedback forms

Page	Page views	Unique Pageviews	Avg. Time on Page
Have Your Say: Oruku Landing	10,000	8,400	Approx. 2 minutes
Current Consultations ('HaveYourSay' forwarding-link*)	4207	3295	30 seconds
Consultation web-form	5888	5307	4:06

* This link is notable because it is exclusively used when we link to the publication but is unlikely to be used by third parties.

The "forwarding" Short-URL, ie. "www.wdc.govt.nz/HaveYourSay", resolves to a different URL when it is visited. As such it gives an indication of how much traffic came from sources originated by Council, rather than the public who are much more likely to use the "full" link to the page when sharing. This page shows all current consultations and requires one extra step to reach the Oruku Landing consultation page.

- **Social media and digital advertising campaign**

We have done extensive engagement online. This was predominantly on our highest-performing platform, Facebook, with additional outreach on Neighbourly and paid advertising on Instagram and (Meta) Messenger. We also used digital "ambient" in-store advertising through Giggle and BroadCoast screens, and online media advertising through NZME websites (e.g. NZ Herald).

Our social media campaign set out to inform the public about the project, answer questions publicly, and encourage meaningful participation through the "Have Your Say" webpage.

The social media campaign included:

- Publication of a promotional video explaining the consultation and inviting submissions
- 870 views on Youtube (incl Neighbourly and the 'Have Your Say' webpage)
- 23000 views on Facebook (includes "boosted" paid promotion)
- 7000 complete through-plays – about 27% of total audience (high)
- 119 shares
- 663 total comments on video
- 28140 total reach (individual people)
- 53600 total post- impressions

Series of info-graphics and posts including cost breakdown / feature-list, impact on rates, summary of the Beca preliminary design report, and a last-day reminder for submissions.

These posts opened opportunities to answer further questions and reminded people to make formal submissions. The posts were made based on information available in the consultation document, ensuring that we did not *add* new information as time elapsed.

The exception to this is where the Beca preliminary design report became available and we highlighted information that was used to update the webpage.

Facebook Live Interactive online Q/A session with General Manager, Infrastructure

- This included the "standard" presentation used at public events, followed by questions that were relayed from the live comments-section.
- Around 50 live viewers at any point. Peak of 67 live viewers. Broadcast available to be viewed *after* live-streaming has ended (as per other videos)
- Reach of ~18000 individuals, but only ~350 viewers watched for more than 1 minute.



Whangarei District Council
Wednesday 24th November 2021

Attachment Two

**Feedback received at the Have Your Say Events
relating to the Oruku Landing Conference and
Multi Events Centre**

**Proposed amendment to the Long-Term Plan
2021-2031**

Have Your Say Event Ruakaka, Ruakaka Recreation Centre

Monday 8th November

Feedback received:

Keen to lift Whangarei up but this project does not support locals
 Current uncertainty - not wise to proceed
 Current on-costs huge - too many unknowns
 Not on solid foundations due to speed of decisions
 User experience not improved given location and proposal - not central to improve usability

Conference centre not suitable for multiple events as suggested
 Post-covid, conferences won't be common
 Excessive repurchase costs
 Cost overruns with construction cost increases
 Private enterprise should do it
 Tsunami zone, flooding, sea rise
 No amenities nearby and bad access
 Rushed - need more time to understand costs
 Money grab from Govt - don't take the carrot

Concerns about Elected Members who will benefit from this project specifically around land sale and purchase
 Waste of money
 Bad accessibility - should improve before considering

Support redevelopment of Forum north over Oruku
 Time for face to face conferences has ended
 Notes were provided and have been attached at the end of this document

Is there a demand for a conference centre? - frivolous travel is no longer the way of the world
 New normal will not include large gatherings
 Appears double standard this was pushed late in LTP
 \$60m can be used better elsewhere by Govt
 No cap on cost overrun - continue to pay year after year
 If viable, Private Sector would be doing it
 Is there behind the scenes benefit to Council?
 Fabulous locations available - Old Boys Rugby. Why build at location with no parking
 Whangarei is service town not tourist destination
 Other conference locations in northland more usable
 Rushed deadline

Concern over accuracy of information - 58 jobs created?
 Design is researched and developed to meet requirements
 Insight report potentially misleading is considered in isolation - different reports available publicly
 All I have heard is negative/risks relating to project - current publicity is negative
 Land sale references are incorrect - as it came
 Go ahead, studies show demand
 Money from CIP - Covid Response
 May not ever be affordable again in Whangarei
 Private partnerships, hotel will bring more business to CEC
 Developer and CP1 warned council that using Beca would drive costs through the roof

Best opportunity here - businesses working together and joint funding
 Business momentum
 Compliments Hundertwasser - showcase public/private partnership
 Positive direction
 Needed post-covid - employment

Disappointed in information so far
 Developer to develop site without conference centre
 Community needs performing arts, FN meets this not Oruku
 Lack of clear information
 rather save \$70m, that continue just to utilise \$60m
 Upgrade existing facilities instead
 diminish value of existing facilities
 Covid environment
 Theatre more necessary
 Conferences are online now anyway
 Support current venues and community
 Poor accessibility
 Ferry and bridge not worth cost
 Negative impact on future costs
 FN demolished
 Oruku for business - need is arts

What is civic centre overrun
 Rate rise - cost is misleading

Develop Forum North
 Existing conference centre and theatre updated
 Wrong economic climate

Forum North needs to be developed
 Honour the original agreement (What it was designed for)
 Do we need another conference centre?

Need a conference centre in Whangarei
 Additional population/ratepayers will help fund
 Attract retail and hospitality outlets
 Same positive impact as Hundertwasser

A lot of additional retail, taxi businesses, shuttle services - economic growth, job potential
 Existing parking sufficient short-term
 Bridge not necessary
 Conferences don't come here as insufficient facilities
 Purpose-built theatre is still many years away, a long term wish which is not in competition with Oruku
 Hotel(s) should follow with draw card
 Facility for training and performing arts

Questions size of \$130 million investment
 Considers a white elephant
 Acid sulphate soil/strata could impact costs
 Alternative options: Town hall/theatre to be considered
 Not now, Thank you
 Tsunami Risk
 Old Boys Rugby is a better site
 Land Transaction \$1.9 Million - \$10 million
 Control our debt
 Stormwater discharge, onsite treatment, is this included in costs?
 New retail pulling away from CBD businesses, may hinder CBD
 Forum north - well placed - new theatre
 Annual running costs - \$5million/annum concern

Concerned about Chamber of commerce message - misleading
 For development but concerned about potential cost blow-outs
 Not my vision for community needs
 Why hasn't hotel developments happened?
 Performing arts facility not available in Whangarei - missing shows
 Arts Community may suffer if Oruku proceeds

Will Loop be maintained in current condition?
 Is there enough land to do without boardwalk? Don't skip on it
 Is this resource consented/notified?
 Concern about amount of spend, is Crown bullying Council?
 Concern of level of WDC Council
 Spending should make ALL of Whangarei better place (Loop Walkway)

Is it needed?
 Ratepayer money better spent on theatre
 Need something for CBD parking
 What is plan for FN? - How many events occur at FN?
 Concern of splitting CBD and Oruku
 We need a theatre
 Don't think we need a big building to attract a conference

Mistake in current climate
 Difficult to foresee future with Covid
 Haven't exhausted use of FN
 Traffic congestion - with Hundertwasser as well
 Should be multi story carparking in CBD
 FN should be developed

<p>We don't attract National events because we don't have a theatre Social/Cultural change, conferences may not be part of our future What will this offer that Exhibition hall doesn't have? Wrong climate - construction/supply chain/skilled tradies Govt requiring response too soon</p>
<p>Disappointed tonight's discussion was hijacked by irrelevant topics Best risk to take at this time Private developers working with council and crown is positive Great local involvement in the project Lose momentum if project doesn't go ahead Keep positivity going in the city Need to spell out costs (pg11) to individuals of this project - not as much as people think Build it and they will come - could cater for all sorts (sporting, cultural, etc) All part of WIP Loop etc was resisted when started but now popular</p>
<p>Can't build something theatre/convention/banquet - won't work together How will conventions and theatre (rehearsals) work in together? Need a purpose-built theatre with flytower - When? Studies done on likely usage?</p>
<p>Ratepayers should be told what is going on with FN Elderly / pensioners can't afford a rates rise</p>
<p>Arrived in support but too much uncertainty Family retirees won't understand proposal - not sufficient information Agree we need a large facility and adjacent hotel Uncertainty but need to move forward Costs will increase but they will do anyway if we don't move forward But as it stands this project is wrong - go back to Govt for flexibility on timing If it goes ahead, can't do it without the bridge Not ideal location Thought hotel was coming with more certainty Need to revitalise CBD</p>
<p>Acid/sulphate soils on site? Don't like it because of Rates (\$70m) and (\$60m) tax paying both ways Original idea to build theatre at FN is better - site, parking, central, higher above sea level \$60m could be used elsewhere Don't want to pass on inter-generational debt What about Old Rugby club site for hotel Concerns around shortage of materials and skilled tradespeople</p>
<p>Help turn Whangarei into a destination</p>
<p>Hotel will come if CEC goes ahead Investors are lined up for hotel, carpark etc Job losses from refinery may be mitigated by jobs created by this development</p>
<p>Concerned if this goes ahead, FN project won't Development will negatively impact on CBD - closer to walk to Okara Take 'lifblood' from existing businesses, hospitality</p>

<p>Developer ' If development doesn't go ahead, will build 80 apartments instead of 20 on that site. - Benefit for housing shortage if project doesn't proceed</p>
<p>Uncapped cost overruns being passed on to ratepayer indefinitely Build costs are ongoing in rates rise Incomes of ratepayers don't increase at same rate There is no demand for it</p>
<p>Rates increase at a time when people are struggling Struggle to see benefits for those businesses outside of CBD - Targeted rates Covid effect - conference centres not needed - technology Carbon Footprint Inflation and increasing costs Benefits unclear</p>
<p>Uncertainty Not an event centre for performing arts or any local users Public is not clear on the project Poor location Impact on CBD and Okara Forego the \$60m Will support a community based project e.g. FN Trust project Negative impacts on other potential projects</p>
<p>Get on with it and build it Missing out on conferences to other centres Positive flow on once development goes ahead, retail, taxi, accommodation, jobs Attract people from Auckland and other regions including overseas Costs to ratepayer offset by more residents spreading rate intake</p>
<p>Repeat of engineering issues of Hundertwasser - Costly overruns - Flood Risks Good idea, but not right now</p>
<p>Now is not the time to hike rates Covid financial pressure 10 - 15 years world will be in a different place Three Waters - Risk Government might take this asset Paying for something the community won't use</p>
<p>financial drain on community for years to come Community can't afford it; rates increase will cause poverty Rich using poor for own gain Carparking challenge Landlords will push rents up (to cover rates)</p>

<p>Risk of cost over runs Not enough parking Money better spent in other areas Pohe island better location Vine St multi-level parking would be ideal Council should invest in more hospital parking Shortage of available tradespeople</p>
<p>As pensioner cannot afford Whangarei doesn't need CEC Not up to Govt to dictate how money is spent up here Roading needs attention Location of CEC (Oruku) is too far from shops (CBD)</p>
<p>Strong advertising campaign 'for' - are people submitting twice. Potential numbers are skewed Does council listen to feedback (Rep Review) Carparking problem Wasn't in original LTP</p>
<p>Opposed - Concerned with rates increase Distrust of council taking on board this feedback Will people travel for conferences post-covid Feasibility reassessment needed post-covid Private industry parts not guaranteed Graffiti and lawns are an issue - would like to see more money on this Rather not use Govt money - send back and spend ours on other things</p>
<p>Theatre at Forum North more of a priority Beach protection needs attention More local projects and infrastructure are priority Rubbish collection done by community Parking in better locations in CBD - not enough in Whangarei</p>
<p>Against as not needed CEC will not get used Other priorities - road sealing, library extension, cont. dev of Rec centre R&R already voted against in rep Review - Who will represent us? Will council listen - we are concerned about this Can't afford rates increase Concern for homelessness Rates increase higher than pension increase</p>
<p>Unaffordable - rates increase hurts in Covid times White elephant No parking Okara park better location (extend existing facilities) Albany rd. is a disgrace - needs money</p>
<p>Council should invest in infrastructure - not private developments (Ruakaka Wastewater) Unaffordable for single pensioner No carparking - existing in unaffordable</p>
<p>Climate change will be a deciding factor</p>

Pensioner can't afford rates rise

Covid will increase costs

Conferences have gone online - won't go back to face to face
spend money on roads

Won't generate profit as it is

How to make it take more people (capacity) to generate income over time

Multiple people will be contributing through more than rates - cost increases

Make it commercial OR Residential

Why not increase public transport to get people there - buses, shuttles etc.

Perspectives What will the benefit be to wider Northland

Does not seem worthy of in-depth consideration

Location completely unsuitable - carparking

How will people out of town get there

Why pay \$10m for land we sold for \$1.9m

Is it the best spend of \$10m given location

Bream Bay perspective - nothing for us

Why not have a \$63m upgrade of what we already have in town

Don't be seduced by \$60m - it will go to a worthy cause elsewhere

Goal posts keep shifting

Can council re-apply for it on equal footing to other applicants

Meeting is to hear each other's views

7000 people and public meetings went in to 2020 momentum document and money was
allocated to a theatre - how can it be over ridden by private businesses

Events sector Okara struggles - why invest in it given current situation (Covid)

Try to save central city

This will drain hospitality from city centre

Disappointed by presentation (Council being unfair

Delayed not by CIP but by council failing to consult earlier

Not being forced on Council by Govt

Over emphasis on negative - not benefits

Many reports have ID demand for this

Query of accuracy/fairness of property sale prices

Skewed Council documents cry out for revitalisation

No acknowledgement of contribution by developers

Does not meet communities needs

Not good to risk an unknown number

Interested in release of new information when council said it would not in the streamed Council
meeting

What else don't we know? - harms trust - could change again

Will new information be presented as it comes up, and if so, how?

Whangarei has worst facilities for Performing Arts of similar towns/cities.

Oruku should not proceed without a theatre already built

NZSO/NZB cannot come, NZ Opera and local, touring companies don't come

Evening hijacked by people not on topic
People who had positive views did not get their say
35,000 coming up here
Rates spread over wider base
Estimates are erratic at the moment
Costs over run part of life
Bridge will draw town together
Conferences have positive flow on Conferences have positive flow on
Provide jobs - need more work here
Protesters against Hundertwasser and TB development are embracing it now
Could lose momentum - build it and they will come - Look at it positively
Put Pg. 11 diagrams online. Tangible and easier to understand
Example of developers working with local govt / govt - vital partnerships
Auckland events always require park and walk or shuttles

Have Your Say Event Whangarei, Forum North

Tuesday 9th November

Feedback received:

Current focus on Silver age
 Opportunity for growth for young people
 Danger of missing out being short-sighted
 Bridge not critical - project important
 Shows and bands great but they bypass Whangarei
 Look to what Whangarei could be
 Whangarei has not gone far in a long time

Good - but has issues
 Venue will run at a loss - no
 Price for land is excessive
 Cannot put risk of project on rate payer
 Currently risk outweighs benefit

Wait for LTP to proceed with project - more support for FN and Hihiaua
 No mandate for Oruku
 Concerned about the rates rise
 Consultant report says not financially viable - Particularly if hotel is not built
 Does not add to current facilities - takes funding away
 Poor location choice - no parking
 Misleading consultation document re car parking
 Impact of bridge on boat visitors
 Climate change will impact this site

Carparking available at Pohe island and aquatic centre
 Developers will create more parking
 Hotel CEC packages
 Promote new businesses nearby - vibrant area
 Finish loop nicely
 Hotel will bring people to the city
 Drop bridge and ferry if it makes the project feasible
 Attraction for Aucklanders

Families wanting to come back to Whangarei - looking for opportunities for future generations

Need to invest and it will never be cheaper

Need to trade out of Covid

Waterfront developments are positive internationally

Town Basin is heart of City - Oruku on that

Challenges can be worked through

Ferry terminal can showcase harbour - better than slow roads

Big, but if not now - when?

Council partnering not working fairly

Proposal aligns with many council policies and strategies

Bridge is not just Oruku - City, but Hihiaua -Pohe

Cricket to Oruku Hotel, and overflow for HCC and Hundertwasser

White Elephant - burdensome, expensive, and not useful

Talking about spending money

Ratepayers shouldn't be taking the risk

FN has facilities, needs attention

Other LTP projects better use of money

Doesn't satisfy any specific need - trying to be too many things

Would prefer to see money in FN and Hihiaua

Wrong location - high risk from climate change

car parking issues

CBD proximity - thinking should be to develop harbour

Bridge waste of money

Forward looking - consider large, ventilated spaces.

Nice design to remain open and incorporate open spaces

Will become focal point of the city

Not a community project - developer project

Large costs - risk of overruns

Location not appropriate

Beca report says bridge essential to project

Opportunities negate themselves

Money needed to link to CBD is too much (No social benefit)

No cultural benefits

Rushed and no cost cap

Parking issue

Conference and MEC is not a theatre venue.

How many Conference and MEC are Council owned around Aotearoa?

Nice conference hall in FN that is more suited to development - location and parking

Consider hotel nearer to FN to invest in that area

Why Oruku? - No use as a theatre venue, need auditorium.

Should build for one purpose, rather than Multipurpose

<p>People not available for the jobs right now - rob other companies of workforce Cost overruns will continue to increase Underwrite costs is terrible, people won't be able to come due to Covid anyway Purchase of land is (Increased price) is awful No economic sense Not losing \$60m, we never had it</p>
<p>Location does need an upgrade but... Carparking and space is too constrained bridge is lunacy, no impact o make connection better Ferry would be great for tourists Negative effect on marine traffic and marina berths No guarantee of private sector developments, wouldn't work without them Why the rush? Ratepayers take all the risk, white elephant</p>
<p>Would like to go ahead for children's future Positive economic impact Locals set to have great facilities If not now, will cost more in the future</p>
<p>Wrong location Not our job to fund (Ratepayers) Architecturally unknown design - is it good and right Theatre is what is needed</p>
<p>Meeting fiasco - ratepayers denied right to speak and share Presented as already a done deal by Simon Wrong place and time, cost is ridiculous Can we guarantee the safety of the Pohutukawa's? (x13) Noise pollution in residential area</p>
<p>Complicated finances - items don't add up Project for developers not ratepayers Causing friction in the community Significant cost risk (Inflation/covid) - cannot underwrite when you don't know the limits Location is an issue FN could do more than Oruku</p>
<p>CBD needs to be developed Oruku not offering a theatre - wont' support events such as NZ Ballet, NZ opera, Kapa Haka</p>
<p>What is the number of PPE convention / conference centres in the country - should know before we develop How will the development bring in 'cultural benefits'? And What are they? Awful location - makes no sense Economic - not proven benefit Tsunami risk Ferry and bridge are overpriced Bad parking</p>

Why Oruku when we have FN?

Parking and CBD could be revitalised if we update FN

Theatre is needed

Not the right time for this project

Do it once do it right - Conference centre and theatre should be combined

Parking concern

remove bridge and ferry terminal

Rates increase is far outweighed by the benefits

Small business owner, I will see benefits long term

Big influence on conference market

Bring more people to Whangarei

Rebuild town

Will encourage building of hotel

Benefits to retailers, shops, service industries

Tidy up that piece of town

Don't need the bridge

Walking distance to town - carparking is not an issue

NorthTec can provide training for locals workforce and involvement

Hotel is an absolute necessity

Domestic conferencing is a huge market

Attract star productions/events

\$5/wk. acceptable for benefits gained long term

Wrong location

Too far from CBD - too far for conference goers to walk

Parking issue

Rates rise OK if for theatre to be built at Forum north

<p>Financial concerns too great - Too many uncertainties Foundation issue at Hundertwasser could also happen here Splitting the city, it should be at FN Ratepayer's bank has had enough!! Renovate Forum North Put roof over Semenoff Stadium</p>
<p>Wrong location - riverside atmosphere ruined Carparking issue Location is wrong because of Global warming risk FN should be utilised NO to rates increase</p>
<p>No parking</p>
<p>Concerned it is being promoted as being endorsed by community Rushed and people uninformed Should have been sent to each ratepayer Increasing costs not sustainable for ratepayer Ill-conceived - poor timing</p>
<p>Concern about increased costs at the last minute - Lack of transparency Without Hotel, event organisers will be uninterested</p>
<p>CBD is not the main interest of the city Don't do bridge or ferry build Future greater demand for outdoor facilities - consider adapting design for more open-air spaces</p>
<p>Don't worry about carpark Don't need ferry and question the bridge Infrastructure upgrades are needed anyway Wants more information on costs to upgrade FN - CEC</p>
<p>Concerned about due diligence - is there really demand? Concern for going over budget Concern council is being manipulated by developers - Old Boys network</p>
<p>Concern funds spent on HW no tourists and another building for what? What demand? Ratepayers and renters will struggle Not happy with the process</p>
<p>Why is FN not being used instead? Climate change Bad location Are Event Centre and FN being used to capacity? Is there demand/need? Riverside rd. traffic issue Cost - Inflation. \$60m should not rule the decision Material/product availability Rushed What about the impact on the loop negative</p>
<p>Too expensive given cost uncertainties More options available to those in favour Why are there more options now, it was originally a Yes/No Community of WHG needs Cultural events centre, not conference centre</p>

<p>Cost overruns likely Fix roads instead</p>
<p>Wrong location Flood and tsunami prone Better site options around Whangarei Potential for cost overruns Doesn't stack up in current form</p>
<p>High risk due to fast tracking Council could get trapped in overruns Based on pre-covid feasibility Developing FN is first priority \$60m irrelevant Council won't benefit - land cost issues Stifle ability to complete other priorities Out of sync with Hatea Loop vision</p>
<p>Parking issue Can see logic in having a bridge Different location would work better Access issue</p>
<p>Does Whangarei have enough for visitors/tourists to do Concern about impact of rates increase on younger demographic Doesn't see themselves benefitting from CEC</p>
<p>Uncertain times to start a project like this Rates increase a concern Lots of expensive fixes required i.e. Bridge</p>
<p>Appalling process was run - should have been a public forum 11% rates increase is too much on a fixed income uncertain times risk of overruns high - covid cost escalations Currently local facilities are underutilised Impact on families is too tough and what will they benefit from this \$60m is a golden carrot Climate change and flood risk Parking and traffic issues</p>
<p>Impact on traffic and parking Accessibility issues Already have sufficient facilities Benefit does not outweigh the cost</p>

<p>Concerned about rates increase People on fixed incomes could lose their homes risk of cost overruns Already have enough facilities in the district Conferences are moving online anyway Unhappy with the way the night was run CE was dismissive and disrespectful Concern for impact on Hihiaua Big shows will not work at Oruku FN upgrade instead Not fair to commit ratepayers to 25 year debt</p>
<p>Parking an issue Sea level rise Don't know what will be found underground Where is the common sense</p>
<p>Incomes in Whangarei too low Concerned about consultation process Seems rushed CEC doesn't fit community needs Social housing, cycleways more important</p>
<p>Not right time for major spending. Covid, skill and supply shortage Conference now online 3rd bridge too inconvenient for boaties FN or Boy high has facilities Site not good, too small, tsunami and flood risk</p>
<p>Risks outweigh Benefits Bridge inconvenient for boaties Global warming Appropriation of public land for private enterprise Hotel/Apartments not guaranteed Not enough information on financial benefits</p>
<p>Rates rise too much Competes with existing facilities Dispute employment and economic benefits</p>
<p>Oruku will not deliver as a theatre, events space Fix FN and make it a dedicated performance space We already have Semenoff Supports a hotel 3rd bridge annoys boaties</p>

<p>Drop bridge, unnecessary. Also ferry electrics Conference centre would deliver all shows, great for domestic tourism to employ young people in trades Stadium success for sports - more accommodation would attract more events Oruku great location on Loop - Hundertwasser \$60m - miss out if we don't accept</p>
<p>Bad process - Should have sent letter to all ratepayers Concern Councillors will say they listened to 'silent majority' not vocal opposition Too expensive and risky - outweighs potential benefits concern 3 Elected Members have broken code of conduct - not raising formal complaint at this stage but reserves the right to do so, following end of consultation WHG needs new theatre, not this</p>
<p>Too much money Bad parking Ambitious for that site It's about developers, will benefit them \$\$ Should utilise other sites</p>
<p>Accommodation potential - amazing opportunity It's an overdue development - incredible asset Supports the location Infrastructure costs needed are inevitable - will never be cheaper Don't turn away from \$60m Will be high quality being new Multi-purpose a positive Will put WHG on the map - needed Close to AKL - national connectivity</p>
<p>Scary time but if not now, when? Rates rising anyway Benefits outweigh short-term shock</p>
<p>Building a sealed road for a carriage' (Covid = little need for physical centre) Proposal absurd - is it a joke? Global warming - bad location Does not suit modern world - not having public meeting (Covid) Can see no advantage</p>
<p>Marina Business owner Will submit formally with concerns and alternatives Resident yachty - bridge would obstruct Want to add to marine activities and environment</p>
<p>Would alter Town Basin aesthetics and peaceful feel Ratepayers are uninformed Parking major issue Government funding seems underhand - only funding 1 location Costs potential to increase further Running costs of CEC should be available to public</p>

Why spend \$70m, what is wrong with current facilities? (FN)

CBD will suffer

Parking issue

Should have more info re. FN

Should look to future when building is up and running - will result in hotel

Local opportunity

Current facilities don't support events

rates rises is affordable

WHG shouldn't be 'small town' - utilise tourism and existing attractions

Employment opportunity

Sports teams go elsewhere because no accommodation

Have to take the risk

Connectivity no issue

Rates increase is reasonable

Opportunity for local education providers to train workforce

Hotel can save money on 'in-house' catering

Think of future generations

Big infrastructure opportunities

Will increase property prices

Spending money over a long period

Huge risk - not worth it in current environment

FN perfectly good facility

White elephant - burdensome, expensive

Risks outweighs benefit

Buy back cost is bad

Submitted on LTP, have already been through this process

Will it stop at \$57m

Ratepayers' re tightening belts - why shouldn't council

Not enough parking - major issue

Rates increase is too much

Unhappy with process - meeting procedure

Not a project for this time of uncertainty

Unaffordable for poorer ratepayers and tenants

No guarantee of costs not increasing

Parking major issue

Average person won't get use from it

<p>Is this the right sight? Other projects should be supported i.e. Hospitals and education Carparking Why should Council support a private developer It will run over budget not good for the vulnerable community members</p>
<p>Concerns about running costs Will it be an NZ developer doing the project? Bad parking and no guarantee of developer providing this Concerns about the site Ferry cost is too high Disaster for Whangarei - not the right time Rates increase too much for retirees</p>
<p>Disaster - appalled at how it is being presented Concerned about cost overrun Increase in rates a concern Wrong project for Covid times</p>
<p>Save CBD Wrong location Will set back community projects (Written notes also) Will end up with overpriced, under-utilised, poorly located venue Inadequate parking Hotel development should be inside CBD Okara shopping centre has sucked retail from CBD, Oruku will suck hospitality Proponents say we don't understand but we do, we see the bigger picture. Will mainly benefit a private development. Will set back so many community projects</p>
<p>Don't agree with rates increase Concerns about uncertain times</p>
<p>Bad for Punga Grove residents' Concerns we can't withdraw if project consents increase Conference Centre I not a substitute for Performing Arts Centre Parking issue</p>
<p>Rates increase too big There are too many big projects with no benefit to customers (Hihiaua, Toll etc) Need more Hotel/Accommodation Adding to Covid debt Increase traffic congestion Stick to core projects</p>
<p>Large investment with no real benefit to ratepayers - Should be targeted Conferences - now online, no need for large venues No increase in employment, venues are large enough now (to employ if utilised?) Costs aren't right. Misleading. Future increase. Climate change effects - that land will flood, too dangerous to build on Wrong location</p>

<p>Fantastic idea but too expensive Parking not enough, traffic. Need bus infrastructure Flooding risk More costs to come - not fully developed yet - inflation 0 cost in 5 - 10 years? Rates too much on a fixed income Yes to the ferry Yes to Oruku IF Govt contributes more. No to bridge</p>
<p>NOT on Riverside - unsuitable for traffic and parking Good idea but should be in City Centre Parking issues in CBD should be supported Hemmed in by Govt not giving location options Need a bigger theatre - more benefit to Whangarei - Arts to be supported more Money better spent on theatre than commercial conferences</p>
<p>Too big for Whangarei and land too small Not enough parking Traffic flow issues Stonewall is degrading Wrong place environmentally Too much cost - will lose money</p>
<p>Not against project but against Council funding Rates impact Should be privately funded Big concern regarding underwriting obligation Cost overruns likely, like Hundertwasser Inflation is a major concern Hotel is ?, big risk Concerned for pensioners and low income ratepayers Location is a concern WHG that work is small, burden falls on a small population Impact of Covid on prices and livelihood</p>
<p>Should be more money going into a proper tourist attraction and the environment Not worth pushing through just for \$60m Terrible location - pollution already an issue in Hatea Already done enough building People want smaller, friendly facilities</p>
<p>More suitable to do riverside development like Christchurch Should be in CBD Redevelop FN Why can't developer gift back land if it's so good Biggest worry is underwriting and overruns Not the climate to do it Accessibility concerns PGF is supposed to be for 'shovel ready' - this is not Concerned about scramble to get Govt money - surely not so fixed in approach? Do something, just not this</p>

Whangarei needs a theatre
 Sound shell for open air events would be good
 Hihiaua - sharing options but probably not big enough
 FN perfectly suited to conferences if video linked to a theatre
 Preference is to redevelop FN
 Access at Oruku no good
 Site should be developed but not 7 storeys

Wrong location - Should build on existing Council site reduce build costs
 Haven't taken into account significant rise in building costs
 Costs so far are only interim - what will they be in 6 months
 Mainly against location
 Cost reductions would be achieved through change in location (engineering)
 revitalise CBD - not decimate it
 Need to bargain hard with Govt.

35%/36% compounded 42% - information needs to be more clear
 Building inflation 6% at present - 19% over 3 years
 Main concern is increase in costs over time
 Interest rates rising - Debt servicing impact on rates
 What will the income actually be?
 Council liability to underwrite could impact rates
 Put in a casino to reduce losses

Punga Grove Ratepayers
 Concern for many is lack of lyric theatre - would love facility for larger arts events
 Why are we funding this and delaying a theatre?
 Not appropriate to put off theatre (That many want) for this
 No consideration regarding environmental impact
 Concern costs for consent
 Would Council be obligated to go ahead if costs blow out during resource consent?
 Can we back out if necessary?
 s like developers are driving it to get \$60m
 Missing catering and accessibility for elderly and disabled

Excited about project - younger and feel views are underrepresented
 Would be great to have a multi-purpose facility in Whangarei
 Not much to do here in evening @present - this would be great
 Is there flexibility to use space for a theatre
 Great to integrate with other infrastructure on the Loop
 Doesn't agree with accessibility issue - fine to walk a bit
 Will provide plenty of opportunity for small businesses e.g. shuttle Pohe island
 Aware we have relatively low rates - need to spend to get

Wants a great place for Tamariki to grow up
 Excited about design and need to invest in the city
 Positive to develop infrastructure
 Not just for ratepayers - also renters
 Conventions may help subsidise the arts
 Would need to be community ares i.e. community spaces offset by commercial
 Local small scale events alongside commercial
 Existing venues don't cater for expected growth - need a range of
 upscaling/downscaling options
 Favours 4-star hotel

Parking issue
 The location can't cope with this type of development
 Road and pedestrian safety concern
 Water rising/flooding/land instability/too close to river
 Likes infrastructure, but why convention centre. Already have FN
 Something for youth instead
 Would prefer to see a different type of development - outdoor space
 Don't throw good money after bad
 Not sufficient space for that sort of development

Gambling with ratepayers money - speculation/risky project
 23% - rates will go up more than 10% - \$50/\$60 per week on rates
 Working class already scratching to make ends meet
 Cost overruns and future maintenance will increase
 Will not make profit - uncertainty around tourism, and the hotel
 Site is tsunami risk, edge of tidal river and eco-systems are fragile
 Not widely available for all
 Let private sector take the risk
 Risks outweighs benefits - the project is wishful

Will not bring more jobs
 not enough tradesmen
 1.9m - 3rd back for 10m
 Why this location - suitability is poor. Tsunami/tidal
 Lack of parking
 Why a ratepayer convention centre?
 Running costs, profit to NDC, lining private pockets
 Public cost, private profit
 WDC should represent all interests not just business
 Low/fixed income - take costs for the private sector
 Put \$\$ into hospital - needed for public good
 Why only this site? Screen - consultation.
 What is the reason behind the timeframe for \$\$
 Tell govt, too short timeframes
 Ruled not represented

<p>Private concern Figures are suspect, vague Questionable site Reclaimed - Geotech concerns - figures 30m+ Need facility for locals - dance groups, theatre etc Some sort of bribe? - only \$60m Strings attached with development 120m bridge is a fantasy</p>
<p>Sure, but find funds somewhere else</p>
<p>Tied to hotel, we need this hotel for Whangarei Q - Accurate estimate of what piling with cost (new report) Q - Parking issue - we need pedestrian bridge.</p>
<p>Jobs - QSI/North Tec training in 15 trades Challenge is timing and building costs increases Community benefits, good for sporting events etc. Leap of Faith - what it could mean down the track Rates increase affordable Good for domestic tourism - Next region to grow - go for Northland Lack hotels in Whangarei Bridge not necessary, distance is short anyway Carparking issue Govt funding is only for this site - think beyond today</p>
<p>Representative of WHG Youth, Music and Performing arts group Insight economic review compelling?? Summary, recommendations strong. Costs will be significantly higher than predicted Location bad - foundations, inundation National interest in FN</p>
<p>Location no good Prefer upgrade at FN, theatre Public works - point of interest - well maintained and cared for - attractive to pend Caution with the build - not good feel</p>
<p>No need - covid FN should become Theatre Destroy view to Town Basin, Parihaka which is unique to Whangarei Transport impact on Punga Grove Unsuitable location, flood prone Shops competition with Town Basin, enough café and shops Don't need a bridge, nuisance for boaties Marine and Town Basin image - monstrosity Tourists will not come</p>
<p>Not enough information in the report/consultation document FN is already an asset - Don't need another if we build/develop FN and theatre opportunities</p>

<p>Visually unattractive Narrow coastal land unsuitable Vanity project Refurbish Toll/FN - Theatre Bridge/Ferry - too many issues. Can't see cost at \$70m if hotel etc Why can't we repurpose Central govt \$\$ - Horrible Other things that need fixing up Can we really afford it?</p>
<p>Toll Stadium - supported although not rugby fan In future costs will increase, opportunity is now Lack of quality hotels currently Jobs in town - young people will be stimulated Need to attract tourists and support tourism industry Need to be linked to hotel/accommodation Whangarei prosper - bring people and jobs and keep young people in WHG</p>
<p>Use of conference centre and stadium currently? Can we justify a conference centre in the changing times? Rates increase vs income increase doesn't match up Issues with the site - geotechnical and Climate Change</p>
<p>If council accepts money, can we go back Rising costs of the project Planning issues - costs and climate change Carparking issues Not councils core role - infrastructure</p>
<p>Location issues Carparking bad Design issues Against rates increase Doesn't see individual benefits Won't be used Community won't see the benefits</p>
<p>Is it Govt. Role to be investing in the centre Location - distance to City Centre a negative Rates increases Can't cap cost Carparking Ferry terminal not needed Tsunami risks</p>

Think of future needs
Catalyst if done right - growing opportunities
Make the most of Govt. Money - never have this opportunity again
Attracting young people
Shortfall of CEC in Whangarei
Compliment Hundertwasser
Opportunity for Council to lead

Carparking issues
Is there really a need
Costs to ratepayers
Environmental issues - water quality - Climate change
Close to AKL so no need for Events centre here

Have Your Say Event Hikurangi, Hikurangi Memorial Hall

Thursday 11th November

Feedback received:

Rates too high already
Farmers being rated off land
Too many ifs
Wont' come in at budget
On top of what's already increased - can't afford it
Bridge could stop yachts coming in
Shouldn't take \$60m just because it's offered
Covid - what will actually come here

Development in that area great but should be private
 High risk to go with CEC
 None in NZ/Intl. a success, shouldn't take this type of risk
 Forced by Crown
 Won't have as much say as we should
 No Council projects ever come in budget (Hundertwasser)
 Will also be paying extra rates to NRC
 Need to be saving for things like cost of Climate Change
 Frivolous
 Will require significant engineering
 Site too small - parking/traffic
 Don't know when tourism will come back
 Many aspects will be very expensive
 Ferry not-viable
 Will kill the Town Basin
 Original proposal for PRIVATE was great
 Not keen on Hundertwasser landscaping, will that influence?

Rates rises big jump
 Can't see benefit to Ratepayer
 Often WDC/Govt projects overrun
 Can't see CEC turning profit for Council
 Can't see benefits to City
 Ferry unlikely to turn a profit
 Already have FN and Civic
 How accessible to community in reality
 It's not really a theatre

Once in a lifetime opportunity, virtually a 50% subsidy
 Fabulous location - walking distance is nothing
 Benefits will be significant - will add to destination
 Real lack of hotels presently - conference patrons stick around

Setting flood area - red herring, whole CBD is, can be dealt with
 Delete bridge and ferry to reduce costs - covers BECA increase
 People who can't afford rates will be subsidised anyway
 Pay a lot of rates as a business person but happy to absorb for benefit of wider community
 Flow on tourism benefits - catalyst
 If we miss this \$60m how will we ever afford it
 Currently missing out on conferences
 Could be world class destination
 Facility for community - part of wider set of facilities, parks, sports etc
 Price increases a given, better to make this decision now
 Theatre issue dealt with another time

Costs likely to increase
 Building might be unused
 Conflict with indoor sports - need more in our district
 Accessibility issues
 Carbon dioxide/ pollution/contamination of site/area
 Bad location

Too many unknowns
 Flying Blind
 Don't know costs and how it will be used
 Not enough consultation - incorrect information - information changes
 Too much competition for local businesses
 Not really for community use - ratepayers

Bridge too expensive for distance
 Not catering to locals - for outsiders
 Not for youth
 Will not provide facilities for encourage international shows/events

Fantastic project
 Walking distance is non-issue
 Facilities WILL trigger Hotel, Accor good company
 Hotel means big benefits to community
 Women's Rugby tour needs hotel
 Flooding issue applies to whole CBD anyway
 Would be Tourism Boost
 Tutukaka, Ruakaka and Heads get flow-on effect
 Considering loss of refinery it is needed
 Unique environment, world class location, intimate
 500mtrs is nothing
 Higher rates are justified
 \$60m not to be missed opportunity
 With removal of some features, costs are correct

No parking
 Dangerous area (Bluff)
 Parking across CBD - wants to know what is planned
 Can't make decision without knowing re. parking
 Sea rise issues
 Engineering will cost too much
 Driven by private sector, ratepayers are taking on all the risk
 Will negatively impact lower income ratepayers
 Aesthetics are wrong for the space
 Wrong project, wrong location

Costs likely to increase
 Building might be unused
 Conflict with indoor sports - need more in our district
 Accessibility issues
 Carbon dioxide/ pollution/contamination of site/area
 Bad location

<p>Too many unknowns Flying Blind Don't know costs and how it will be used Not enough consultation - incorrect information - information changes Too much competition for local businesses Not really for community use - ratepayers</p>
<p>Bridge too expensive for distance Not catering to locals - for outsiders Not for youth Will not provide facilities for encourage international shows/events</p>
<p>Fantastic project Walking distance is non-issue Facilities WILL trigger Hotel, Accor good company Hotel means big benefits to community Women's Rugby tour needs hotel Flooding issue applies to whole CBD anyway Would be Tourism Boost Tutukaka, Ruakaka and Heads get flow-on effect Considering loss of refinery it is needed Unique environment, world class location, intimate 500mtrs is nothing Higher rates are justified \$60m not to be missed opportunity With removal of some features, costs are correct</p>
<p>No parking Dangerous area (Bluff) Parking across CBD - wants to know what is planned Can't make decision without knowing re. parking Sea rise issues Engineering will cost too much Driven by private sector, ratepayers are taking on all the risk Will negatively impact lower income ratepayers Aesthetics are wrong for the space Wrong project, wrong location</p>
<p>Not against but... Risk in rates increase - should be a business Environmental impacts and costs not calculated properly sea level, stormwater etc - solar powered options preferred Fragment CBD, too far from town Not thinking long term</p>
<p>Infrastructure developments are good not now, when? Rates have been low for years, happy with increase Great opportunities for employment, building operations Hopeful re Hotel - go for it</p>

Carparking issue
 So much infrastructure needed - foundations are so expensive
 \$60m isn't a lot of money
 Roads and parking sorted first - cart before the horse
 Seawall at that point is the issue as there is erosion happening rapidly
 Costs will blow out
 Can we do more for Maori youth

Positive for Tourism industry
 Distance a non-issue - access is fine
 Fantastic concept - Great location
 Flooding manageable
 Hotel req'd - need more accommodation in CBD
 \$60m wonderful, will not get again
 Could CIP renegotiate with WDC in 2 years or so?
 Could do bridge at a later date
 Financially WDC should do this

Built Momentum - need to continue, will revitalise CBD
 Increase in population, WDC needs to invest in City and surrounds to future proof
 Bridge can be reassessed re. costs
 Opportunity of a lifetime - recognise rates issue, in future project more expensive
 Carparking relooked at, hotel will have some

How can cultural benefits be quantified
 No Ballet or NZSO etc can come to this CEC - watered down performances
 Whangarei is missing out on Performing arts
 Doesn't make financial sense
 FN is in Year 8 of LTP - too far away
 Financial impact on businesses in CBD or Town Basin - already struggling, will worsen
 Youth involvement - not enough for them to do anyway, will not go to a CEC
 No guarantees of use
 Love to see a theatre
 Why can't CIP transfer the funds so it stays in WHG

Ugly - Lego brick
 Already have Forum North middle of town, Civic Centre, Hundertwasser
 People out of jobs and hard up, sold house to keep business
 Not up for big \$\$ on a luxury right now
 Who will it benefit really?
 Hotels are struggling, taking space not providing income
 Is the timing right?
 Spoil the existing view

Loop great but can't see benefit for average ratepayer
 Businesses very pro, need to hear other opinions
 Investment return not good
 More parks and infrastructure
 Rates increase over 10year too much
 Hundertwasser and Hihiaua already there, do we need more?
 Parking problem

Increase in rates means increase in rent
 Creative sector is becoming homeless (Kaipara and Far North too)
 Invest in Forum North - more affordable
 Oruku for external businesses not local
 CEC and cultural, does Oruku meet this
 No cultural infrastructure plan, lots of other good plans - waterfront etc
 Ask what is needed for the Creative and cultural sector in our district and design for that

Where does the community want to go for cultural experience?
 Making it an architectural space is important
 Need lyric theatre
 Current 'events' centre is a stadium
 Oruku presents opportunity for customisable spaces
 Programming for audiences necessary, not just conferences

Typed and printed note that were provided by a member of the public to Elected Members during the Have your say event in Ruakaka.

Notes for Oruku Landing Conference/Convention Centre Meeting at Ruakaka,

8 November 2021

I firmly support the need for enhanced performing arts centre in Whangarei. I strongly oppose the Oruku Landing Proposal. I would support the re-allocation of the Government contribution to the re-design of, and construction at, the present Forum North to provide a performing arts centre (Lyric Theatre) with enhanced seating capacity, plus improved stage and backstage facilities

Future Demand - I strongly query the future demands for large scale Convention/Conference facilities in Whangarei. In the proposal put forward to provide a convention/conference centre at Oruku Landing no evidence has been presented on:

Notes for Oruku Landing Conference/Convention Centre Meeting at Ruakaka,

- The likely demand for such a facility
- Utilisation of the proposed centre

During the Covid 19 Pandemic many conferences and conventions world wide have been cancelled or held 'virtually'. Similarly many business meetings, etc. have been cancelled with desirable results having occurred during zoom meetings. As a result large international corporations have discovered that their corporate travel, accommodation, entertainment, etc., expenses have been considerably reduced and that this has shown favourably in their profit margins. Large companies are also giving serious consideration to the climate change effects of the CO2 produced by their travel to conventions, conferences and meetings

I would suggest that this pandemic outcome will impact heavily on the future utilisation of

convention/conference centre utilisation and financial viability.

The proposal being put forward by WDC makes no mention of any proper surveys of or investigations made into the likely utilisation of the Centre.

Site Unsuitability –

- The Oruku Landings is a low lying narrow postage stamp sized piece of land sited between a busy arterial road and a river. An effective building on the site would need to occupy the whole site area leaving limited opportunities to tastefully landscape the Centre and would provide for zero or very limited parking.
- As a low lying site virtually no site excavation could be carried out to accommodate basement facilities such as essential service requirements. I recall attending a play at the Shakespeare Theatre in Stratford -upon- Avon in the UK. It sits on a low lying site next to the river. Some weeks before the basement had been flooded damaging power supply, air conditioning units, etc. I attended the theatre in mid-summer and the air-conditioning had not yet been repaired. A very hot sweaty experience.
- Parking - Convention/ Performing Arts facilities do require adequate nearby car parking areas. Oruku Landing is a considerable distance from adequate parking. Shuttle requirements are difficult to predict and often spoil the enjoyment of attendance at events.
- Site Transport - I do wonder if the provision of a ferry landing and a new 'opening bridge' are just 'trendy' afterthoughts added to the proposal to make it more appealing to a few people. No thought seem to be given to the destinations for the ferry, who would operate it, and its financial viability.

Financial Considerations:-

- No properly investigated detailed construction costings have been made available to ratepayers.
- No properly investigated likely income streams from the Centre have been made available.
- The likely purchase price for the site seems to be high compared to the price it was sold for to the current owner.
- WOC may have had experience in managing large construction projects, but cost over runs always seem to be inevitable. We do not know what cost over runs are likely to be incurred with the new Civic Centre Building or with the new Town Basin Mosque - oops the Hundertwasser Art Museum. This project started off at \$13million and I believe it is now costing in the region of \$30million. People may even recall the cost over runs at the Resort Centre through poor site investigative work.

The projected costs have already lifted from \$97million to \$123million. The completed cost with over runs probably be much higher.

- Oruku Landing supporters seem to be propagating the fallacy that the Oruku Landing will only cause a one off 6% rates rise. The graph on page 12 of Council's Brochure clearly shows that the 10.5% rise will be included in the rates on an on-going basis. It is salutary to note that no side scale is incorporated in the graph. This could have been use to illustrate actual year-by year rate increases.

It must be remembered that the annual rate rises compound on actual base line values. Calculations on that basis show that that rates would increase overall over 10 years by about 33% using a 4.5% annual rate rise and about 75% using a 10.5% annual rate increase.

Both the residential and business sector are suffering undesirable impacts caused by the current Covid 19 Pandemic. This situation will probably continue on for some years. It is fiscally irresponsible to inflict major rate rises at this time.

- The contribution from Northland District Council needs to be better factored in as far as what the Centre is ultimately costing Whangarei Ratepayers.
- woe Debt - the brochure notes that increased Council debt levels will attract higher debt interest charges - no attempt has been made to quantify the amounts of extra interest would be charged.
- It appears that much of the financial viability of the project would rely on the construction of a new 5-star hotel plus an apartment building on adjacent sites. Just what is the demand for a 5- star hotel in Whangarei? No guarantees have been given that either or both facilities will be built. Ratepayer money should not be expended on projects that are not supported by guaranteed works.
- Economic benefits resulting from employment opportunities are listed. We do know that construction employment opportunities are short lived. Long term employment opportunities are sort term. No details are being provided as to the details of the 58 jobs involved in the centre operations.
- Government Funding - yes, this money is a windfall for WDC. But the overall financial considerations will mean the burdening of ratepayer with, for many, an extra intolerable extra expense. I ask that our local MPs be intensively lobbied to ask Government to defer the decision to allocate the money until Council can investigate a desirable re-allocation to another worthwhile project within the Whangarei District. I believe the conversion of the present Forum North Building into a 750 seat Lyric Theatre with ancillary small meeting and reception areas would be a more worthy expenditure of Government grant money.

Forum North - Lyric Theatre

I must repeat that I support the conversion of the present Forum North Building to incorporate a 750, seat Lyric Theatre with the stage area to accommodate a full symphonic orchestra, a full size ballet stage, etc. We, in Whangarei have missed out for years by performances from the NZ Symphony Orchestra, New Zealand Ballet Company, etc.

A conversion could also include display exhibition, small meeting and banquet areas.

The advantages of redeveloping the Forum North site are:

- Site owned by Council - no need to spend money buying another site.
- Is adjacent to or close to car parks - Forum North, Water Street, and Vine Street Parks. Is even within walking distance of Laurie Hall carpark
- Situated in the CBD. It will result in flow-on economic benefits to central retail and hospitality businesses who badly need a stimulus.
- I take heed of the arguments promoted by Lachie Mclean, a well-known experienced local drama and musical producer/director. I have attended shows produced by him at Forum North, and compared them with shows I have seen on stage in London's West End, e.g.

"Miss Saigon". It is utterly remarkable what Lachie has achieved in the Capitaine Bougainville Theatre. Just imagine if he could utilise a full size Lyric Theatre. It would also fully recognise the performing arts talents of many of our local people.

- I also take heed of Lachie Mclean's contention that you can hold a conference in a theatre, but you cannot hold a theatrical production in a convention centre.
- I repeat my assertion that WDC should enter urgent consultation with Government to redirect the Government funding set aside for the Oruku Landing Proposal to the conversion and redevelopment of the present Forum North Building into a Lyric Theatre with ancillary exhibition, meeting and reception facilities. Our local MPs should be vigorously lobbied to support such a change in redirection in allocation

I thank you for your consideration of my thoughts at this Have Your Say Meeting.

Warren Daniel

2.2 Local Government Reform

Meeting:	Council Briefing
Date of meeting:	24 November 2021
Reporting officer:	Rob Forlong (Chief Executive)

1 Purpose

To update council on the proposed Local Government Reforms.

2 Background

In October this year the Government released the attached report “Arewa ake te Kaupapa (Raising the Platform)”. The report is the first milestone of the independent panel on the Future For Local Government which comes at the end of its “early soundings” phase. It signals the Panel’s broad lines of inquiry for the next stages. Over the next 12 months the Panel will work through its “broader engagement” phase culminating in a report in September 2022. This report will set out the Panel’s draft findings and recommendations. The second report will be followed by formal consultation which will conclude with a final report in April 2023.

3 Discussion

The nature of this report is preliminary so it contains a few observations and a series of priority issues and questions which the panel will look to address.

With respect to the current system the Panel has identified the following issues:

- The local government system is under pressure particularly relating to funding, capacity, and compliance;
- The relationship between local and central government is characterized by misunderstanding and mistrust;
- Current arrangements are placing too many consultation requirements on Maori without improving Maori wellbeing;
- Current arrangements do not ensure that diverse communities are adequately represented or involved in decision making; and
- Current approaches are not meeting business sector needs or fostering innovation.

In terms of the future systems of local governance the panel has found:

- New and better systems of local governance are needed to address the current and future challenges;
- Any reform should build on the inherent strengths of local authorities;
- Local voice and community leadership will continue to be important;
- One size does not fit all;
- The system of local governance should foster innovation;
- In future, Iwi and Local Governance can be stronger partners;
- New approaches to funding and financing will be necessary for local authorities to be sustainable; and

- Changes to representation and electoral arrangements should be considered to strengthen local democracy.

Most importantly the independent panel has set itself five key Questions to consider. They are

1. How should the system of local governance be reshaped so it can adapt to future challenges and enable communities to thrive?
2. What are the future functions, roles and essential features of New Zealand's system of local government?
3. How might a systems of local governance embody authentic partnership under Te Tiriti o Waitangi, creating conditions for shared prosperity and wellbeing?
4. What needs to change so that local government and its leaders can best reflect and respond to the communities they serve?
5. What should change in local governance funding and financing to ensure viability and sustainability, fairness and equity, and maximum wellbeing?

Councillors may wish to reflect on the questions prior to the briefing.

We anticipate that senior staff from the Department of Internal Affairs including those supporting the members of the Independent panel, will be in attendance to assist with any questions Councillors may have.

4 Attachment

Report Arewa ake te Kaupapa (Raising the Platform)



Te Arotake i te Anamata
mō Ngā Kaunihera
Review into the Future for
Local Government

Interim report
September 2021

Ārewa ake te Kaupapa

Raising the platform



The Future for Local Government Review provides an opportunity to rethink local governance for the future.

It is an opportunity to look beyond fixed structures and roles, to design a system of local governance that is built on relationships; is agile, flexible and sustainable enough to meet future challenges, even those that are large and unpredictable; has the right mix of scale and community voice; harnesses the collective strength of government, iwi, business, communities and others; maximises common benefit and wellbeing; and creates the conditions in which communities can thrive into future generations.

Over the next 30 years, New Zealand will change a great deal.

The country will have a larger, more diverse population. Technology will change the way people live, work, move around, do business, and relate to each other. Climate change will require us to adapt and reshape our economy and lives. The Treaty of Waitangi partnership will move into a new phase with increasing focus on enduring, mutually beneficial relationships.

Much else is likely to change in ways that cannot yet be predicted.

All of these trends have implications for New Zealanders' quality of life, for the places and communities we live in, and for the ways in which those places and communities are governed.

Change can create challenge, and also opportunity. It invites us to ask: how might things be done better, in order to build trust in local democracy and improve New Zealanders' wellbeing and prosperity?

About this report

The title draws inspiration from Pacific traditions about the importance of communal gathering places, in particular marae ātea (ceremonial spaces) and ahurewa (ritual spaces) where important activities and discussions are undertaken.

‘Ārewa ake te Kaupapa’ can be literally translated as ‘raising the platform’.

‘Kaupapa’ is often used in Aotearoa to reflect a platform for, or topic of, discussion, though it also has associations with the body of a korowai (feather cloak). The raising of the kaupapa can reflect the purpose of the mahi (work).

In these ways, the title alludes both to the place-making and community building functions of local government, and to the place of this report as a foundation for future discussion.

The Future for Local Government Review is an independent Ministerial review established in April 2021 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.

This interim report sets out the broad direction and priority questions for the review, in order to support engagement about the future of local governance and democracy. This work will lead to a further report with draft recommendations in 2022.

Contents

Introduction	05
Priority issues	09
Local government at a glance	12
The context for change	15
The wellbeing dimension	17
Challenges to local government	25
Te Tiriti o Waitangi in a local context	33
Where to from here?	39
Rethinking local governance	41
Priority questions	46
Early opportunities	53
Our approach to engagement	58

Introduction

The Future for Local Government Review was established in April 2021 by the Minister of Local Government. Its overall purpose is 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.

This report is the beginning of a conversation about how that might occur. Over the next 12 months there will be many opportunities for public input about what creates wellbeing for communities, and how local governance might operate to support wellbeing.

Why review local governance?

The system of local governance and democracy is under review for several reasons.

Local government responsibilities and demands have increased greatly since the 1989 reorganisation and the Local Government Act 2002, resulting in significant funding and capability challenges. Over the next 30 years those pressures will increase further as local authorities respond to complex issues such as the local impacts of climate change.

Planned resource management and three waters reforms also call into question the broader functions and roles of local government, while other reforms in health and education have implications for local governance and wellbeing.

The relationship between local government and Māori is being re-examined, as the country moves towards a new phase in the Treaty of Waitangi relationship.

Although most New Zealanders enjoy good quality of life, existing governance structures – including local and central government – are not delivering wellbeing for all. Many issues that are felt at a local level, such as poverty and inequity, and environmental degradation, can be expected to worsen if not addressed in a coordinated manner.

This review provides an opportunity to address all of these issues and ensure that the system of local governance is fit for the future. More broadly, it is an opportunity to consider how local democracy and governance might change in order to maximise wellbeing and prosperity for all communities.

Local government and local governance

Our terms of reference ask us to consider the future of local governance in New Zealand.

Local *government*, in the context of this review, refers to the local authority structures established by statute.

Local governance refers more broadly to the system by which communities are governed – in essence,

who makes decisions, how they are made, and who the decision-makers are accountable to.

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.

What are we reviewing?

This review is taking a broad look at New Zealand’s system of local democracy and governance.

In that context, we are considering the functions, roles, and structures of local government; relationships between local government, central government, iwi, Māori, businesses, communities, and other organisations that contribute to local wellbeing; how the local governance system might authentically embody the Treaty partnership; whether current funding arrangements are sustainable, equitable, and maximise wellbeing; and what might need to change so that local government and its leaders most effectively reflect and respond to the communities they serve.

In accordance with our terms of reference, we are not reviewing the Government’s planned resource management or three waters reforms, but we will consider the implications of those and other policy decisions for the local government sector.

Similarly, we will consider the implications of recent public sector reforms, Climate Change Commission advice, Productivity Commission recommendations, Waitangi Tribunal recommendations, and reports on local government elections and financing.

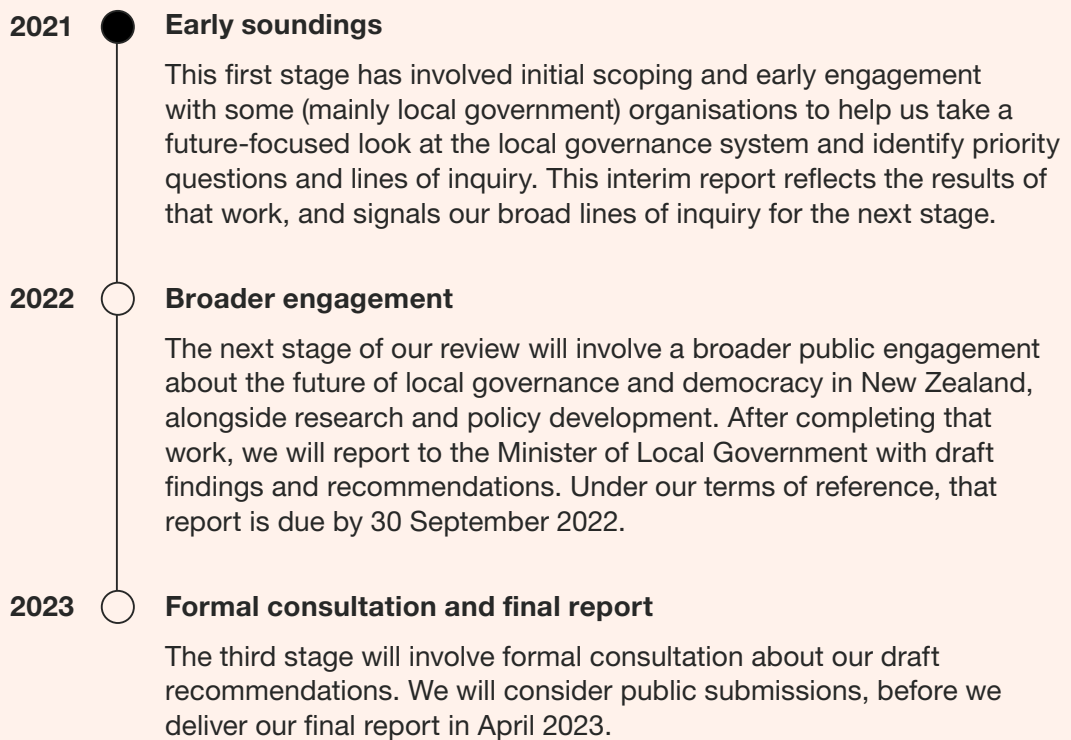
A three-stage review

The Future for Local Government Review is an independent, two-year Ministerial review.

The review panel comprises: Jim Palmer (chair), Penny Hulse, Gael Surgenor, Antoine Coffin, and Brendan Boyle. John Ombler served as a panel member from April to July 2021.

The review process is taking place in three stages, and will involve engagement with local and central government, iwi, the business sector, community organisations, young people, and the wider public. The three stages are as follows.

The review process



Why does this review matter?

Effective local governance is essential to New Zealanders' lives and wellbeing. Local authorities play a critical role in the country's system of democracy, providing for people's voices to be heard in the leadership of their communities and the delivery of local services and assets.

Local authorities also help create the environments we live in. Their activities determine the extent to which communities' basic needs such as clean air and water are met. They influence the places and homes we live in, the strength and cohesion of our communities, how we move from place to place, our health and safety, how prosperous we are, how we spend our time, the health of our democracy, the strength of Te Tiriti relationships, and our sense of shared identity.

The big issues facing New Zealand are all experienced at a local level. Inequity, climate change, employment and economic participation, housing, racism and discrimination, environmental harm, and challenges with physical and mental health and many other issues play out at local and sub-national levels, and solutions require local action.

Ineffective local governance can create or exacerbate challenges. Effective local governance can create the conditions in which communities prosper and thrive.

“Local government is one of the most important institutions our species has created for expanding human wellbeing.”

Professor Paul Dalziel¹

Priority issues

This review is an opportunity to rethink local governance, to find new approaches that can meet the challenges of the future and create conditions in which communities will prosper and thrive.

Successive reviews into aspects of local governance have found that some local authorities face significant financial and capability challenges; relationships and partnerships are not as strong as they could be; and the system as a whole is not set up to deliver the best outcomes for local communities.

Over the next 30 years these challenges are likely to grow and become more complex. The local governance system of the future will need to prepare for and respond to climate change, emerging technology, changing demographics and community expectations, earthquakes, floods, pandemics, social and economic inequities, and more.

This review is an invitation to look beyond existing structures

It is an opportunity to create a system in which the many organisations that contribute to local wellbeing can work together to more effectively address challenges and deliver shared goals and aspirations, now and into future generations.

It is an opportunity to consider how roles and responsibilities can best align with inherent strengths and capabilities, and to build a system that is agile and flexible, reflects local voices, embodies partnership under Te Tiriti o Waitangi, and delivers better lives for all of this country's diverse communities.

Planned reforms to resource management and three waters provide some indication of a possible future for local governance. But those reforms address only some of the issues facing communities, and provide only one possible direction for reform.

What we have heard so far

During this initial phase of the review we have met with representatives of local and central government, some iwi, business groups, central government representatives, experts in relevant disciplines, and others. These initial soundings have helped us to shape our priority issues and broad lines of inquiry. During this initial phase of engagement several themes have emerged.

With respect to the current system, we heard:

- ▶ The current system of local government is under pressure – some local authorities face significant funding and capacity issues, and all face onerous compliance requirements.
- ▶ The relationship between local and central government is characterised by misunderstanding and mistrust. It needs work to build trust, so both can maximise their contributions to local wellbeing.
- ▶ Current arrangements place too many consultation and engagement demands on iwi and Māori without improving Māori wellbeing.
- ▶ 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.
- ▶ Current approaches to local governance are not fully meeting business sector needs, or effectively fostering innovation at a local level.

With respect to future systems of local governance, we heard:

- ▶ New and better systems of local governance are needed, in order to address challenges in the current system and maximise wellbeing.
- ▶ Any reforms should build on existing and inherent strengths, including local knowledge and the place-making role of local authorities.
- ▶ Local voice and community leadership will continue to be important, even if some functions are delivered at a larger scale.
- ▶ One size does not fit all – any new local authority structures should be tailored to meet the needs of diverse communities and circumstances.
- ▶ The system of local governance should foster innovation at a local level by businesses, community organisations and other partners.
- ▶ In a reshaped system of local governance, iwi and local authorities can be stronger partners – by working together at local and iwi rohe levels they can boost shared prosperity and wellbeing.
- ▶ New approaches to funding and financing mechanisms will be needed to ensure local authorities are viable and sustainable, and to improve equity.
- ▶ Changes to representation and electoral arrangements should be considered in order to strengthen local democracy, decision-making, and leadership.

Priority questions

In designing the most effective system of local governance for New Zealand's future, several key questions will need to be considered:

- 1** How should the system of local governance be reshaped so it can adapt to future challenges and enable communities to thrive?
- 2** What are the future functions, roles and essential features of New Zealand's system of local government?
- 3** How might a system of local governance embody authentic partnership under Te Tiriti o Waitangi, creating conditions for shared prosperity and wellbeing?
- 4** What needs to change so local government and its leaders can best reflect and respond to the communities they serve?
- 5** What should change in local governance funding and financing to ensure viability and sustainability, fairness and equity, and maximum wellbeing?

In coming months, we will engage with communities and organisations around the country about these questions as we consider how the future system of local governance might most effectively create conditions that maximise wellbeing and prosperity.

Local government at a glance

New Zealand has 78 local authorities who are responsible for democratic local decision-making and community wellbeing.

These local authorities vary widely in territory, population and capacity – from large urban authorities, such as Auckland Council, to district councils serving small town or rural populations.

11

Regional Councils

Regional councils are primarily focused on the physical and natural environments within their boundaries. They have power to make by-laws over regional forests, parks, reserves, recreation grounds, and water supply, and have statutory responsibilities for environmental regulation, resource management planning, land and maritime transport, regional biosecurity, and other environmental activities. Regional councils can take on other functions, but only with the agreement of the territorial authorities in their region.

61

Territorial Local Authorities (not including unitary authorities)

Territorial local authorities include district and city councils which have broad functions relating to local wellbeing. They own and manage local infrastructure such as roads, drinking water, wastewater, and stormwater networks, local parks, libraries, and sport and community facilities. Typically, they also undertake economic and community development functions, run community events and programmes, and support community organisations.

They have significant regulatory functions relating to land use, building, food safety, liquor control, and other matters, and they have power to make by-laws over matters of public health and safety, public nuisance, and offensive behaviour.

In some cases, investments and infrastructure assets are managed through council-controlled organisations. Such structures seek to create separation between the political bodies and entities dedicated to furthering their shareholders' objectives and investment returns.

6

Unitary Authorities (including Auckland Council)

New Zealand's six unitary authorities are responsible for both regional council and territorial authority functions. The unitary authorities are Auckland, Gisborne, Marlborough, Nelson, Tasman, and Chatham Islands.

Auckland Council is Australasia's largest local authority, with a population exceeding 1.7 million (about one third of New Zealand's population).

Auckland has 21 local boards, several of which serve populations that exceed 100,000. The Independent Māori Statutory Board assists the Auckland Council by promoting issues of significance to mana whenua and mataawaka, and monitoring the Council's compliance with statutory provisions referring to the Treaty of Waitangi.²

110

Community Boards

Many of New Zealand's territorial authorities have community boards which represent the interests of particular communities and advocate on their behalf. They have been established for a range of reasons, and vary in size, functions, delegations, and geographical coverage.

\$11.8 billion

Annual Operating Spending (June 2020 Year)

The local government sector is large. Total expenditure represents about 4.8% of New Zealand's GDP, and total rates income represents about 2.6% of GDP.³

The sector has more than 1600 elected members and 25,000 full-time equivalent staff. Many others, such as iwi, contractors, volunteers, businesses and community organisations also contribute to local government activity.

² Auckland Council Act 2009, section 81

³ Statistics New Zealand (2021), Local Authority Statistics March 2021; Statistics NZ (2020), Gross Domestic Product June 2020

Local Authorities by Population

Statistics NZ Sub-national Population Estimates
June 2020

Largest

Auckland
1.7m

Median

Horowhenua
36,000

Smallest

Chathams
760

Local Authorities by Land Area (km²)

Statistics NZ Land Area by Territorial Authority 2020

Largest

Southland
29,600km²

Median

Whāngārei
2,700km²

Smallest

Kawerau
24km²

Local authorities range greatly in size, land area, financial capacity, and by many other measures – from Auckland, serving a population of 1.7 million, with an annual operating budget of \$4.4 billion, to the Chatham Islands, serving a population of 760, with an annual operating budget of \$8 million.⁴

4 Operational expenditure: Auckland Council Annual Report 2019/20; Chatham Islands Council Annual Report 2019/20.

The context for change



New Zealand's current local government structures deliver significant value to their communities, but they are under pressure.

Even though wellbeing is a statutory purpose of local government, local authorities do not possess all of the levers they need to maximise wellbeing in their communities. They operate in a framework that does not encourage collaboration or innovation, or authentically embody Te Tiriti o Waitangi. Some local authorities are facing significant financial and capacity challenges.

Local authorities are striving to create communities that are thriving and prosperous, to protect the delicate balance of natural ecosystems, to build towns and cities that people love, to support social cohesion, to reflect identity and create belonging, to provide leadership and coordination, and to effectively manage community assets and services. If they are to fulfil these roles with maximum effect, now and into the future, change will be needed.

The wellbeing dimension

The future wellbeing of New Zealand communities depends at least in part on effective local governance. Under the Local Government Act 2002, one of the purposes of local government is to promote social, economic, environmental and cultural wellbeing in local communities.

This review is being conducted to determine how local authorities might need to evolve in order to deliver on that purpose over the next 30 years.

Under current local governance arrangements, local authorities make significant contributions to local wellbeing, but neither they nor central government on their own can address the most significant wellbeing issues facing local communities, or to address all of the challenges that might emerge in the future.

A more collaborative approach will be necessary in future to meet these challenges and create conditions in which communities can thrive over the next three decades.

Current local government contributions to wellbeing

Local authorities contribute to wellbeing in their communities in many ways, most visibly by creating and sustaining the environments in which people live, work, do business, and connect with each other.

The vast bulk of local government spending is focused on infrastructure, the environment, and facilities and services – including roading and transport services, drinking water and wastewater, waste management, planning and urban development, natural and ecological enhancement, and provision of parks, gardens, sports fields, and facilities such as libraries, and community and recreation centres.⁵

These facilities and services play critical roles in local wellbeing. They provide for basic needs; keep people healthy and safe; allow people to move around and connect with each other; enable work and business activity; support family, neighbourhood and community connections; and create environments in which people can exercise and relax. An attractive, well-functioning physical and natural environment can lift mood, reflect identity, create a sense of belonging, and attract skills, tourism and commerce.

Some local authorities also support wellbeing in other ways – for example, through economic development and tourism promotion, housing and homelessness programmes, and community building activities or partnerships.

While local government creates an environment and conditions, much of what contributes to local wellbeing depends on the actions of others – including central government, businesses and industries, iwi and Māori organisations, non-government organisations, and communities.

To address challenges and create thriving communities, aligned and coordinated action will be needed.

What do we mean by ‘wellbeing’?

Although the Local Government Act provides that local authorities are responsible for social, economic, cultural and environmental wellbeing, none of these terms is defined.

There are many perspectives on what ‘wellbeing’ means, and many frameworks for understanding and measuring wellbeing. When we use the term, we intend it to be understood broadly, to include everything that makes a good life, not only for individuals, but also for their whānau and families, their neighbourhoods and communities, and for future generations.

This includes, among other things, living in a clean and healthy environment, having basic needs met, being physically safe and secure, experiencing connection with others and a sense of belonging, being able to participate and contribute, being

able to express yourself and your identity, experiencing yourself as valued and valuable, and having opportunities to prosper and live to your full potential.

In many cultures, these dimensions are understood in collective or communal terms, or through the lens of ancestral connections with the human, natural and spiritual worlds. For some, wellbeing will depend on ability to nurture and care for those connections – for example (in Te Ao Māori) by exercising kaitiakitanga, manaakitanga, and rangatiratanga.

All elements of wellbeing are interconnected – influencing one will have impacts on others, and influencing the wellbeing of one person will have impacts on their relatives and those they are connected to.

Current challenges to local wellbeing

By global standards New Zealand is an affluent nation with high wellbeing. Even after the impacts of Covid-19, many New Zealanders continue to live comfortable and relatively prosperous lives.

In global surveys, New Zealand and its cities consistently rank among the highest in the world for happiness and overall quality of life.⁶ And in surveys of New Zealand cities, the vast majority of residents see their city or local area as a great place to live, and have positive views of their overall quality of life and their family/whānau wellbeing.⁷

But that broad picture masks some major challenges and inequities in the economic, social, cultural, and environmental wellbeing of New Zealanders and New Zealand communities. Some examples follow, all of which involve wellbeing challenges that are felt at a local level and can be influenced at least to some degree by local governance.

6 New Zealand ranked 14th in the world in the 2020 United Nations’ Human Development Index, and 9th in the 2021 World Happiness Report. In Mercer’s annual Quality of Living Survey, Auckland and Wellington consistently rank among the world’s most liveable cities.

7 Quality of Life in New Zealand’s Largest Cities Survey 2020

Climate change

Impacts of climate change are already being felt in many New Zealand communities – through rising average temperatures, increasing frequency of severe storms and flooding in some parts of the country, and increasing incidence of droughts and wildfires in other places. These impacts reduce economic output and impose significant costs on local communities.

Environmental degradation

New Zealand faces significant environmental challenges. Many indigenous species are threatened, indigenous habitats are declining, and pollution of the environment is growing. Many of the country's lakes and rivers are polluted due to runoff from urban areas, farms, and forestry.⁸

Economic performance

New Zealand was once among the world's most prosperous nations. But since the 1960s, relative incomes have been declining, and average incomes are now below the OECD average. This is despite relatively high levels of employment and education.⁹

Poverty and Inequity

Wellbeing and prosperity are not shared equitably among New Zealand communities. Just over 129,000 children live in households that experience material hardship, which means they cannot afford basic needs.¹⁰ Māori are, on average, more likely to experience social and economic deprivation, as are people from New Zealand's Pacific communities.¹¹ There are also significant inequities across age, gender, family type, and region.¹²

Housing

New Zealand house prices have been rising steadily since the early 1990s. While property owners have grown wealthier, others have been shut out of home ownership while facing housing insecurity and steadily growing rental costs. Overcrowding is an increasing issue, and nearly 1% of New Zealanders are homeless or otherwise severely housing deprived.¹³ Rates of home ownership are now at their lowest level since the 1950s.¹⁴

8 Ministry for the Environment (2020), *Our Freshwater 2020*

9 OECD Better Life Index (2021): New Zealand

10 Statistics New Zealand (2021), *Child Poverty Statistics: Year ended 30 June 2020*

11 Statistics New Zealand (2021), *Child Poverty Statistics: Year ended 30 June 2020*; Te Puni Kōkiri (2019), *An Indigenous Approach to the Living Standards Framework*, pp 4, 33-36

12 New Zealand Treasury (2020), *Living standards Framework Dashboard: Multidimensional Wellbeing*

13 Statistics New Zealand (2021): *Housing in Aotearoa: 2020*, pp 12, 101-103

14 *Ibid*

Health

Most New Zealanders regard their health as relatively good, and life expectancy is above the OECD average.¹⁵ But 30% of adults are obese, and many New Zealanders face health challenges such as heart disease, diabetes, and cancer.¹⁶ There are significant inequalities in health outcomes (including longevity), and some people cannot afford basic health care.¹⁷

Mental Wellbeing

Many New Zealanders have experience of mental distress, ranging from everyday stresses and anxieties to acute episodes of depression and other severe mental wellbeing challenges. Experience of poor mental health is becoming significantly more common among young New Zealanders.¹⁸ Social connections, exercise, new experiences, and opportunities to give can all be significant factors in supporting mental wellbeing.¹⁹

Some of these issues have local causes, and all have local impacts on environmental, cultural, social and economic wellbeing. There is considerable variance from place to place, particularly for material deprivation.

New Zealand's local authorities have statutory responsibility for promoting wellbeing, but they don't control all of the policy and other settings necessary to address these issues. For example, with respect to housing, local authorities' planning and infrastructure decisions can influence supply of land but they have limited influence on demand factors such as population growth, changes in household composition, and incentives to invest in housing.²⁰

Similarly, local authorities can create environments that are attractive to skilled staff, businesses and investors, and tourism, but they cannot control the broader market and regulatory forces that determine national economic performance and prosperity. The environments created by local authorities can also support healthy lifestyles, social connections, and mental wellbeing, but local authorities have little involvement in other aspects of public or community health.

Effective responses to these issues will require coordinated or at least aligned action at national, sub-national, regional, and local or community levels, involving central and local government, and also iwi, the business community, community organisations, and others. Though there are exceptions, current responses to these issues do not typically take this 'ecosystem' approach, but rather focus on single issue responses at national or local level.

15 OECD Better Life Index (2021): New Zealand

16 Ministry of Health (2021), New Zealand Health Survey 2019/20

17 Ministry of Health (2019), Wai 2575 Māori Health Trends Report; Ministry of Health (2021), New Zealand Health Survey 2019/20

18 Government Inquiry into Mental Health and Addiction (2018), He Ara Oranga: Report of the Government Inquiry into Mental Health and Addiction; Richelle Menzies and others (2020), Youth Mental Health in Aotearoa New Zealand: Greater Urgency Required

19 Government Inquiry into Mental Health and Addiction (2018), He Ara Oranga: Report of the Government Inquiry into Mental Health and Addiction; Mental Health Foundation (2021), Five ways to mental wellbeing

20 Productivity Commission (2012), Housing Affordability Inquiry; Tax Working Group (2018), Future of Tax: interim Report; Welfare Expert Advisory Group (2019), Whakamana Tangata: Restoring Dignity to Social Security in New Zealand

Future trends and local wellbeing

Over the 30-year timeframe of this review, some future trends can be discerned, though long-term impacts on local wellbeing are not necessarily predictable.

Impacts of climate change mitigation and adaptation

Existing forecasts tell us that the impacts of climate change are likely to become more severe, with increased risk and severity of floods, droughts, wildfires and extreme weather events. On those forecasts, coastal inundation will create risks to tens of thousands of homes and buildings, as well as to roads, airports and rail networks. The economic, social, and cultural costs of adaptation are likely to be high.²¹

New Zealand communities also face a major economic and social transition as we implement mitigation measures and adapt to a low carbon future. The Climate Change Commission has laid out a pathway which includes (among other things) reducing emissions from transport, energy, building, agriculture and waste; strengthening market incentives; and enabling emissions reductions through changes to urban form and infrastructure.

The Commission has noted that there are potential long-term economic benefits from innovation, and nearer term health and environmental benefits from insulating homes, shifting transport modes and reducing air pollution. But the transition will also impose costs, particularly to people working in high emissions industries, and people living in places that are directly affected by climate change. People who experience material deprivation have less capacity to cope with environmental risks such as climate change and natural hazards.²²

But these forecasts do not factor in all potential impacts of or responses to climate change. Impacts could worsen or lessen depending on many factors including political and economic decisions at a global scale. Under more severe global scenarios, food and water scarcity could drive mass population movement with unpredictable but significant implications for countries like New Zealand.

Natural hazards and other shocks

Many parts of New Zealand are susceptible to hazards including earthquakes, floods, wildfires, and risks associated with volcanic eruption. These events can have severe and ongoing impacts including loss of life, impacts on property and livelihood, and ongoing stress. While the timing of such events is not necessarily predictable, the risks are known and can be prepared for.

Likewise, recent experiences have shown the risks and impacts on local wellbeing of pandemics and economic shocks arising from global events.

21 Ministry for the Environment (2018), *Climate Change Projections for New Zealand*, p 13

22 Massey University Environmental Health Intelligence New Zealand (2021), *Socioeconomic deprivation profile*

Impacts of demographic change

New Zealand's population is projected to grow to about 6.2 million by 2048, and to become increasingly diverse. Growth is projected across most regions, but is forecast to be highest in Auckland and Waikato – regions that already face significant pressures on infrastructure, housing, and their environments. Some regions with relatively high levels of socio-economic deprivation are forecast to grow, including parts of South Auckland.²³ Conversely, in some regions there is a possibility of population loss.²⁴

New Zealand's population is forecast to age significantly, particularly for New Zealanders of European descent. This has potential implications for housing and the built environment, health and disability services, economic performance, financing of national and local services, and overall wellbeing.²⁵

New Zealand's population is already very diverse with many cultures, languages, and countries of origin. In the next 30 years that diversity will increase. For example, by 2043, people from New Zealand's Asian communities are forecast to make up 26% of the population, Māori 21%, and Pacific communities 11%.²⁶ As the century progresses these more youthful populations will provide increasing shares of New Zealand's labour force and tax revenue. Supporting these communities to thrive therefore has major implications for New Zealand's long-term wellbeing. Conversely, without appropriate support, existing disparities might worsen.²⁷

160+

Number of ethnic or cultural identities among New Zealand people.

Statistics NZ Ethnic group summaries

Impacts of science and technology

Changes in science and technology will likely have significant impacts on future wellbeing – including where, how, and whether we work; how we travel; how energy is generated and used; how we communicate and connect with others; how we entertain ourselves; how we learn and earn; how people shop and do business; how we maintain health; how we feed ourselves; and much more.²⁸

23 Statistics New Zealand (2020), National population projections 2020(base)-2073; New Zealand Deprivation Index

24 Statistics New Zealand (2020), National population projections 2020(base)-2073

25 Treasury (2019), The economic and fiscal impacts of our ageing population; Natalie Jackson (2019), The implications of our ageing population;

26 Statistics New Zealand (2021), Population projected to become more ethnically diverse; Statistics New Zealand (2021), Subnational population projects 2018(base)-2048

27 Te Puni Kōkiri (2019), An Indigenous Approach to the Living Standards Framework, p 4

28 For discussions about technological change and how it might impact people's lives, see New Zealand Productivity

While some future trends are difficult to foresee, others are clearly discernible. There will very likely be much greater use of renewable energy, with potentially significant implications for energy networks. The vehicles of the future are not only likely to be fuelled from renewable sources but also self-driving, with implications for future design and delivery of transport networks.²⁹

The long-term trend is towards even greater digital connectivity and rapid advances in computing power – including further advancements in augmented and virtual reality, artificial intelligence, the internet of things, and brain-computer interface. These changes are likely to have significant impacts on many areas of life, including how we work, do business, shop, access services, and engage with one another.³⁰

What are the implications for local governance?

In order to maximise social, economic, environmental and cultural wellbeing now and into future generations, new approaches to local governance will be needed. Conventional approaches and techniques for policy-making are not responsive enough for an increasingly fast paced, complex environment where societal values are rapidly evolving and new challenges regularly arise.

Under the current system, local authorities hold few of the levers that drive wellbeing and prosperity in their communities. Many of those levers are held by central government, the business sector, iwi, or others. 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.

Other reviews have already drawn this conclusion, in respect of particular issues. The Climate Change Commission placed particular emphasis on the need for partnerships between local and central government, iwi and Māori, the business community, communities and others, in order to manage the transition to a low carbon future and adapt to climate change impacts.³¹

Recent social policy reviews have emphasised the importance of coordination at a community level in responding to issues such as child poverty, health, mental health, welfare dependency, and crime. Consistently, these reviews have pointed out that social issues are interconnected, and have argued that responses should be led by communities.³²

The Productivity Commission has also referred to the need for a closer relationship between central and local government, involving agreed principles for the relationship and a ‘genuine co-design approach’

29 Commission. (2020). Technological change and the future of work: Final report; OECD. (2019). OECD employment outlook 2019: The future of work; McGuinness Institute (2021). Mission Aotearoa: Mapping our future, Discussion Paper 2021/01
 30 Ministry of Transport (2018). Public Transport 2045: A working paper on urban transport in the shared mobility era
 31 McKinsey & Company (2021). The top trends in tech (www.mckinsey.com)
 32 Climate Change Commission (2020), Ināia Tonu Nei, p 225
 Welfare Expert Advisory Group (2019), Whakamana Tangata: Restoring Dignity to Social Security in New Zealand; Government Inquiry into Mental Health and Addiction (2018), He Ara Oranga: Report of the Government Inquiry into Mental Health and Addiction; Department of Prime Minister and Cabinet (2019), National Engagement on New Zealand’s First Child Youth Wellbeing Strategy; Te Uepū Hāpai i te Ora Safe and Effective Justice Advisory Group (2020): Turuki! Turuki: Transforming our criminal justice system

when central government is developing regulations that local authorities will have to implement.³³

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.³⁴

“Central government needs to work closely with local government to deliver low emission outcomes.”
Climate Change Commission³⁵

The need for agile, sustainable, and anticipatory approaches

Some of the issues that will influence future wellbeing in New Zealand communities can be foreseen and planned for. The Climate Change Commission has emphasised the importance of coordinated planning for the transition to a low carbon economy, and for adaptation measures including managed retreat from coastal areas.³⁶ Transition planning is also possible for future urban growth or decline, to take account of matters such as future housing and infrastructure needs, and workforce and skills requirements. It is important to prepare for earthquakes, floods, pandemics, eruptions, and economic shocks, even though it is not possible to know when and where they might strike, or how severe they might be.

As well as planning and preparing for foreseeable trends and events, a future system of local governance will need the agility and capacity to respond to what cannot be foreseen, drawing on the capabilities of local authorities, central government, and others as needed, and adapting as new challenges and issues arise. While major reforms are sometimes needed, a more agile and adaptive approach is preferable in an increasingly complex and fast-paced world. A future system of local governance will also need capacity to gather and effectively analyse wellbeing data at national and community levels, and to anticipate and share knowledge about future trends. The Living Standards Framework and He Ara Waiora provide ways of understanding and measuring wellbeing, as do other frameworks such as Te Whare Tapa Whā, Pacific Fonua and Fonofale models, and United Nations Sustainable Development Goals. The OECD’s anticipatory innovation governance model also provides one possible approach to understanding and responding to new trends as they are emerging.³⁷

33 Productivity Commission (2021), *Insights into Local Government*, p 29

34 Te Kawa Mataaho Public Sector Commission (2020), *Public Service Reforms*

35 Climate Change Commission (2020), *Ināia Tonu Nei*, p 226

36 Climate Change Commission (2020), *Ināia Tonu Nei*, p 226, 230-231

37 OECD (2021), *Anticipatory Innovation Governance: What it is, how it works, and why we need it more than ever before*

Challenges to local government

The current system of local government is under pressure. Even without planned reforms, the local government sector was facing significant pressures, which were raising questions about structures, roles, funding, and relationships.

Since the 1989 reorganisation, and since the Local Government Act 2002 was enacted, local government and the environment within which it operates has changed greatly. Local authorities have greater responsibilities. They must meet higher regulatory and community standards, and more complex engagement, decision-making and accountability requirements. They must respond to rapid evolution of technology. And they are also required to deal with increasingly complex social, cultural, economic, and environmental issues.

Some local authorities are experiencing significant funding and financing pressures. Many face capacity constraints, and many see their relationship with central government as strained or virtually non-existent at a national level. These pressures constrain local and central government in their ability to support thriving communities.

The main pressures on local government

The local-central government relationship

One of the most common themes in our early engagement has been that the local-central relationship needs work. This partly reflects statutory, structural and financing issues, which are discussed below, but it also reflects a culture of mistrust between central and local government.

At governance, management and staffing levels there is little cross-pollination between central and local government, and much mutual misunderstanding about respective roles.

The Productivity Commission has reported that central government “needs to substantially increase its understanding of the local government sector”, and that central government fails to acknowledge local authorities’ independence, frequently treating them as agents of central government who can be expected to unquestioningly implement national policies.³⁸

Existing structures can contribute to the lack of mutual understanding. It is difficult for central government to effectively engage with 78 local authorities, and equally difficult for those authorities to engage with and respond to the 30 or more government agencies.

Varying capacity and capability

Local authorities vary a great deal in size and scale, from Auckland Council with an annual budget exceeding \$4.4 billion to small rural councils with a few dozen staff and budgets in the low millions.³⁹

Even for smaller local authorities, responsibilities include management of large infrastructure, financial management, governance, land use planning, environmental impact assessment, economic modelling, and engagement with diverse communities.

To carry out their roles, local authorities require not only financial capacity, but also the ability to attract and retain the necessary skills and competencies among elected members and staff. One common theme of recent reviews is that some local authorities (in particular those serving smaller populations) lack the capacity and capability to carry out all of these functions effectively, and can struggle to attract and retain the necessary staff.⁴⁰ We heard similar concerns in some of our early engagement. On occasions local authorities have attempted to address these issues by proposing amalgamation with neighbouring authorities, but these proposals have not won community support.

Financial pressures

Local authorities are under constant pressure to manage growing demand while maintaining rates at levels that are politically acceptable to their communities.⁴¹

Local authorities face varying demands. Some have rapidly growing populations or demand from tourism, while others are responsible for large geographic areas and have small and shrinking populations. Cost pressures also arise from community demands, age and quality of existing infrastructure, and threats from earthquakes and other hazards. Local authorities' ability to manage these pressures can be hampered by regular headlines about rates increases and negative perceptions about their financial management.⁴² This fails to reflect a reality that council spending has increased broadly in line with household incomes and has continued to mainly focus on services that are seen as the traditional domain of local government, such as transport, drinking water and wastewater, planning, and local facilities.⁴³

39 Auckland Council Annual Report 2019/20; Chatham Islands Council Annual Report 2019/20.

40 Resource Management Review Panel (2020), *New Directions for Resource Management in New Zealand*; Review of the Three Waters Infrastructure Services (2017), Initial key findings

41 Productivity Commission (2019), *Local Government Funding and Financing*; Review of the Three Waters Infrastructure Services (2017), Initial key findings

42 Local Government New Zealand (2015), *A Survey of New Zealanders' Perceptions of Local Government*

43 Productivity Commission (2019), *Local Government Funding and Financing*, pp 32-33, 42-43

The combination of cost pressures and community perceptions has meant that necessary infrastructure upgrades have not always been carried out, and that towns and cities have not developed new infrastructure to accommodate growth.⁴⁴ Delays in funding infrastructure can limit business activity, contribute to growth in house prices, and have other negative impacts.

The ‘unfunded mandate’

One source of cost pressures is the so-called ‘unfunded mandate’, in which central government imposes obligations or transfers responsibilities to local authorities without means to fund those activities.⁴⁵

This includes costs arising from new health or environmental standards, such as those requiring drinking water treatment or stormwater and wastewater network upgrades, or earthquake strengthening of buildings. It also includes pressures that arise when central government delegates regulatory enforcement responsibilities to local authorities without providing means for them to recover their costs.

Overlapping and conflicting responsibilities

Local authorities have responsibilities under numerous Acts of Parliament, all with differing objectives and processes. Alongside a general (but undefined) responsibility for social, economic, environmental and culture wellbeing, they are charged with managing land use planning, food safety, building, and much else.

Many of these Acts impose distinct consultation and engagement requirements, including the highly prescriptive requirements in the Local Government Act. Altogether, in the view of the Productivity Commission, the sector operates under “a complex web of legislation which is poorly integrated, hard to administer, and not delivering the intended outcomes”.⁴⁶

This statutory complexity is reflected in on-the-ground relationships. In order to advance wellbeing in their communities, local authorities deal with many government agencies, each with their own structures and objectives. Many agencies have regional structures which do not align with regional or local authority boundaries, or iwi rohe.

For some of their functions local authorities are autonomous and directly accountable to their communities; for others they have little or no discretion and are accountable to central government. More broadly, the Local Government Act provides for powers of Ministerial intervention in local government under some circumstances.

Some see this ‘dual accountability’ system as raising questions about local government autonomy, and about the constitutional relationship between local and central government.⁴⁷

44 Productivity Commission (2019), Local Government Funding and Financing, pp 41-42

45 Productivity Commission (2019), Local Government Funding and Financing, pp 6-7, 201; Local Government NZ (2020), Local Government Funding and Financing, pp 4-5; David Shand (2019), Local Government Role and Autonomy: some additional perspectives (The Policy Observatory, Auckland University of Technology), p 8

46 Productivity Commission (2019), Local Government Insights, p 13

47 For example, Local Government NZ (2017), LGNZ’s plan for a prosperous and vibrant New Zealand, p 34. Mike Reid (2018), Saving local democracy: an agenda for the new government, Auckland University of Technology, p 17

“Local government is not an ‘agent of central government’, and central government should stop approaching things in this way.”
Productivity Commission⁴⁸

Representation and engagement

Most New Zealanders neither vote in local elections nor take part in local authority decision-making. Participation in local elections has declined in the last two decades to just over 40%.⁴⁹ Elected councils are not fully representative of their communities, and do not always possess the range of experience needed to provide effective governance. Despite some improvements in recent elections, Māori remain under-represented.⁵⁰

Very few people take part in formal consultation processes, and those who do are skewed towards older people with property interests.⁵¹ In some areas, iwi and Māori have raised concerns about lack of involvement in decisions that affect their rights of tino rangatiratanga and kaitiakitanga. Current arrangements do not deliver on the full potential of the Treaty partnership.

Overall levels of public satisfaction are low: in one 2019 survey of five major cities, only 30% said they were confident in council decision-making, and only 31% believed the public had influence on council decisions.⁵²

While some local authorities go to considerable lengths to engage with their communities, the overall evidence is that local decision-making is not as 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.

Impacts of climate change on local authorities

Several emerging trends are likely to increase pressures on local authorities, and, in particular, to challenge their financial sustainability.

The Climate Change Commission has warned that cost pressures are likely to grow as local authorities respond to climate change. Demand on stormwater networks will increase, and rising sea levels will threaten buildings and infrastructure (such as roads and water networks) in low lying coastal areas. In its view, local authorities will need central government funding to manage this transition.⁵³

48 Productivity Commission (2019), Local Government Insights, p 29

49 Department of Internal Affairs, Local Authority Election Statistics 2019; Local Government New Zealand, Final voter turnout 2019; Jack Vowles (2021), Local Government’s Māori Representation Gap

50 Vowles (2021), Local Government’s Māori Representation Gap

51 Productivity Commission (2019), Local Government Funding and Financing, pp 93, 113, 118

52 Quality of Life Survey 2020

53 Climate Change Commission (2021), Ināia Tonu Nei, pp 230-231; Productivity Commission (2019), Local Government Funding and Financing, pp p 227

The Commission has also emphasised the importance of central and local government pursuing the same climate objectives – which requires a closer and more effective working relationship, statutory alignment, clarity around roles, and central government supporting local authorities and building capacity where needed.

Information and Communications Technology

The local government sector is also likely to face major challenges in managing future information technology requirements. Local authorities are complex organisations which manage multiple databases and information systems, and engage with their communities online in numerous ways.

In coming years there will be considerable demand on the sector to align systems, digitise records, manage increasingly complex cybersecurity issues, and develop systems that provide customers and residents the best and most seamless online services. This can be expected to impose significant costs and demands on local authorities, including those which already face staffing and capacity constraints.

Local government reforms since 1989

Since a major reorganisation in 1989, the local government sector has been through several further reforms which have included changes of purpose and introduction of numerous new consultation and financial requirements.



What are the implications of proposed reforms?

The government has a significant reform agenda across several policy areas, including resource management, three waters, health, education and other sectors, all of which have significant local implications.

The resource management and three waters reforms have particular impacts on local government. The reviews that preceded the resource management and three waters reforms highlighted significant challenges facing the local government sector, including issues with capacity, capability, and misalignment.

The Resource Management Review Panel found that the current system is too complex, involving too many agencies which serve different constituencies and have conflicting responsibilities. It found that the current system fails to adequately provide for Māori interests or values, and does not provide incentives for good decision-making. It also found that some local authorities lack the capacity and capability to manage complex planning and compliance roles.⁵⁴

Similarly, a 2017 review of three waters found that many local authorities were struggling to meet regulatory responsibilities, with the result that 20% of New Zealand's drinking water supplies did not meet required standards. Some local authorities also lacked the capability and financial capacity to maintain and upgrade large water infrastructure assets, and made trade-offs between affordability, resilience, and public safety.⁵⁵

The question of scale

Both reviews sought to address these issues by transferring responsibilities from local authorities to sub-national bodies. The three waters reforms, if implemented as planned, will transfer management of water assets to multi-region bodies. A new layer of national regulatory oversight has already been established.

The resource management reforms propose to transfer planning and regulatory responsibilities to regional levels. The Resource Management Act Review Panel expressed a clear preference for local government "rationalisation along regional lines", which, in its view, would bring improved efficiency, economies from pooling of resources, and better coordination.⁵⁶

These reforms, if implemented as planned, will have significant implications for all local authorities, and could threaten the financial sustainability of some.

While these reforms propose to transfer functions to sub-national bodies, other reviews have emphasised the importance of local voice in responding to health and social issues. Reviews of mental health, welfare, crime reduction, and child and youth wellbeing have all called for power to be transferred to communities so they can tailor services to their needs.

54 Resource Management Review Panel (2020), p 6

55 Review of the Three Waters Infrastructure Services (2017), Initial key findings for discussion with the Minister of Local Government

56 Resource Management Review Panel (2020), p 6

Planned health reforms highlight the tensions that must be balanced in determining how to allocate services to national, sub-national or local levels. The reforms involve establishment of Health New Zealand and a new Māori health authority in place of regional health boards, with the aim of improving quality of care and national consistency. They also involve the establishment of a new national public health agency within Health NZ.

Yet the reforms also promise that communities, including iwi and Māori, will have greater roles in shaping and designing primary health services to meet their needs. Local authorities already have responsibilities for community engagement and planning, and already play important roles in community health through many of their roles – from provision of recreation facilities to regulation of alcohol sales. Their roles should be considered in the design of community health services.

Implementation of the planned reforms

Implementation of the resource management and three waters reforms will impose significant pressure on local authorities, and will have implications for many aspects of their operations including leadership and culture, financial viability, information systems, and much more.

It is vital that local authorities are supported through the transition period, to ensure, for example, that they have sufficient capability to manage the necessary changes and any new responsibilities.

It is also important that there is coordination between the various reform programmes, including this review. Coordination is needed to ensure that:

- ▶ reforms (especially in resource management) do not close down options before there has been adequate time for broad consideration about the future structures and functions of local government;
- ▶ reform programmes do not place unnecessary pressures on local authorities, or on other partners such as iwi which will be heavily involved in new three waters and resource management systems; and
- ▶ reforms leverage existing strengths from local government reform – for example, by building on existing contributions of local government to public health, and by creating opportunities for local government to support community-led design of local health services.

What are the implications for local governance?

Any redesigned system of local governance will need to address current and emerging pressures, and take account of the impacts of planned reforms. Addressing these pressures will mean:

- ▶ Taking steps to break down mistrust between local and central government, and instead building a culture based on mutual respect and collaboration, consistent with a spirit of unified public service.
- ▶ Designing the system to allocate local government functions and roles at the most appropriate scale, whether that is community, town or city, sub-national, or national levels, while providing flexibility and supporting collaborative approaches, and acknowledging that local authorities may still vary in scale.
- ▶ Ensuring the statutory and policy framework clearly defines functions, roles and expected wellbeing impacts; aligns objectives; simplifies processes and responsibilities; and provides clear direction and accountability for all agencies involved in local governance and service delivery.
- ▶ Improving alignment of boundaries for agencies involved in sub-national or local governance, including central and local government, and iwi rohe.
- ▶ Ensuring that all local authorities have sufficient capability and financial capacity to carry out the roles and functions allocated to them. This might involve central government providing some services to support effective local governance. It might also involve funding or other support for local authorities to address major challenges such as climate change, or to implement national policy priorities.
- ▶ Seeking representation and engagement arrangements that more effectively reflect all interests and communities including iwi/Māori, provide voice for those whose interests are currently under-represented, and support effective governance and decision-making.
- ▶ Exploring new approaches to local democracy that have potential to build public trust and confidence, and support all communities to be involved in decision-making and have their interests represented.

Te Tiriti o Waitangi at a local level

How can New Zealand’s system of local governance most effectively embody the Te Tiriti o Waitangi partnership? One of the purposes of this review is to identify ways in which local government can actively embody Te Tiriti o Waitangi / the Treaty of Waitangi partnership over the next 30 years.

The partnership is likely to evolve a great deal in that time, as New Zealand’s population changes, the country moves beyond settlement of historical grievances, and iwi become increasingly influential over wellbeing and economic development within their rohe.

In a fully functioning Treaty relationship, local government and iwi are natural partners: both are intimately concerned with wellbeing of people and places, and both have intergenerational responsibilities. With new approaches, they can become powerful allies in creating conditions for mutual benefit and shared prosperity that endure into the future.

The Treaty partnership

On one level, Te Tiriti o Waitangi was an agreement to share authority in Aotearoa. It recognised the existing rights of iwi and hapū to manage their own affairs, including full authority over environmental, social, cultural, and economic relationships. And it recognised the Crown’s right to govern for the benefit of all New Zealanders.⁵⁷

On other levels, Te Tiriti was about relationships, and about expectations of prosperity. It was an agreement to establish new relationships, or deepen existing ones, in ways that would create conditions for commerce, trade, and sharing of knowledge and ideas, to the benefit of Māori and non-Māori alike.⁵⁸

Through much of New Zealand’s history, the Treaty relationship has not lived up to that original promise. Instead, the government progressively asserted authority over Māori communities, undermining their systems and institutions of self-government, transferring land and other resources out of Māori hands, denying Māori economic opportunities, and leaving a legacy of entrenched inequality.⁵⁹

57 Waitangi Tribunal (2011), *Ko Aotearoa Tēnei* (2011), Te Taumata Tuarua, vol 1, pp xxiv-xxv, 17; Waitangi Tribunal (2018), *Te Mana Whatu Ahuru*, Part I, p 181; Waitangi Tribunal, *He Maunga Rongo* (2008), vol 1, pp 166, 173

58 Waitangi Tribunal (2018), *Te Mana Whatu Ahuru*, part 1, pp 180-181, 182-183

59 Waitangi Tribunal, *Te Mana Whatu Ahuru* (2018), Part I, pp 190-191; Waitangi Tribunal, *Te Urewera* (2017), vol 1, p 140; Belich, *Making Peoples: A History of the New Zealanders*, pp 277-278; John Williams, *Politics of the*

Local authorities are a significant part of this colonial story. As the non-Māori population grew and expanded after 1840, local councils and boards followed. Many of their responsibilities overlapped with Māori rights and responsibilities in relation to land, rivers, harbours, fisheries and other parts of the environment.

These early local authorities were dominated by non-Māori, and typically showed little interest in Māori rights or views. Alongside the activities of land court and land purchase agents, rating and local taxes became a means of dispossessing hapū of their lands and economic base.⁶⁰ The Waitangi Tribunal has found that the Crown's devolution of powers to local authorities without appropriate safeguards harmed Māori communities and was in breach of rights under Te Tiriti.⁶¹

For long periods in New Zealand's history Māori communities have sought to maintain self-governing institutions at hapū, iwi and national levels, even as local authorities and government institutions were exerting authority. In the early and mid-20th century, the government recognised Māori Councils with rights of local self-government including by-law making powers.⁶² Those councils continue to operate today, alongside iwi authorities and other Māori organisations.

Much has changed in the last 50 years, including establishment of the Waitangi Tribunal, incorporation of Treaty principles into numerous statutes, settlement of most historical claims, and increased political representation.

Māori-owned businesses form a major and rapidly growing part of New Zealand's economy, producing an estimated \$17 billion in GDP in 2018. Much of this business activity is generated by self-employed Māori businesspeople or Māori-owned small and medium enterprises.⁶³

Māori labour force participation is also increasing at a far faster rate than the rest of the population, in part reflecting a much younger demographic profile.⁶⁴

Many iwi operate major business operations which provide employment in their rohe and also support initiatives in education, training, housing, the environment, marae development, and much more.⁶⁵

Changes to the political system since the 1990s have resulted in significant increases in Māori representation and influence, particularly at a national level.

Nonetheless, at national and local levels, the partnership remains well short of what was originally agreed, both in terms of Māori rights and in terms of expectations of mutual benefit, equity, and shared prosperity.

New Zealand Maori 1891-1909

60 Waitangi Tribunal, *Te Mana Whatu Ahuru* (2019), Part IV, chapter 19.1; Waitangi Tribunal, *The Wairarapa ki Tararua Report*, p 888; Waitangi Tribunal (2008), *He Maunga Rongo*, p 1405

61 Ibid

62 These events are described in several Waitangi Tribunal reports; in Aroha Harris and others (2015), *Tangata Whenua: A History*; Vincent O'Malley (1998), *Agents of Autonomy*; and John A Williams (1968), *Politics of the New Zealand Maori*. Twentieth century laws providing for some degree of local self government by Māori communities include the Maori Councils Act 1900; Maori Social and Economic Advancement Act 1945; and Maori Community Development Act 1962

63 BERL (2018), *Te Ōhanga Māori 2018: The Māori Economy 2018*, pp 14-15, 17

64 Ibid, pp 13, 21

65 For example, see Waikato Tainui Annual Report 2019/20

For example, Māori continue to experience considerably higher levels of social and economic deprivation than non-Māori;⁶⁶ and to experience far greater levels of racism and discrimination.⁶⁷

Te Taiao (the natural environment), for which hapū throughout New Zealand have kaitiaki responsibilities, is also in a poor state. Many species are endangered, rivers and waterways are polluted, and greenhouse gas emissions have risen steadily in recent decades.⁶⁸

Local government and Māori

At a local government level, the Treaty relationship still falls short of meeting Māori aspirations and expectations. Current statutory and institutional arrangements do not provide for adequate Māori representation or input into decision-making, or for sufficient protection of Māori rights, interests, and wellbeing.⁶⁹

Māori representation

Over the course of New Zealand's history, local authority representation and decision-making has been dominated by non-Māori voices. Despite recent improvements, there is evidence that Māori remain under-represented on a population basis.⁷⁰

Since 2001, local authorities have had the power to establish Māori wards or constituencies, but most attempts to do so have been overturned. A law change in 2021 leaves decisions about wards and constituencies in the hands of local authorities.

As a result, more than 30 local authorities are now planning to introduce Māori wards to increase representation and ensure a Māori voice in local decision-making. The Waitangi Tribunal has recommended that all local authorities have provision for Māori representation.⁷¹

Tino rangatiratanga and local authority decision-making

Te Tiriti provides for hapū, iwi and Māori to exercise tino rangatiratanga (full authority) in relation to their own affairs.⁷² It encompasses rights to manage relationships in accordance with tikanga (Māori law and norms), and therefore in accordance with values such as manaakitanga (care for people), and kaitiakitanga (care for the natural and physical worlds).⁷³

66 Te Puni Kōkiri (2019), *An Indigenous Approach to the Living Standards Framework*; Te Uepū Safe and Effective Justice Advisory Panel, *Turuki! Turuki! Transforming New Zealand's Criminal Justice System*

67 Cheryl Smith, Rāwiri Tinirau and others (2021), *Whakatika: A Survey of Māori Experiences of Racism*; Jagadish Thakur (2021), *Aotearoa-New Zealand Public Responses to Covid-19*, Massey University; Human Rights Commission/Nielsen Research (2021), *Te Kaikiri me te Whakatoihara i Aotearoa i te Urutā Covid-19: Experiences of Racism and Xenophobia in New Zealand during Covid-19*

68 Te Puni Kōkiri (2019), *An Indigenous Approach to the Living Standards Framework*

69 Waitangi Tribunal (2008), *He Maunga Rongo*, pp 1575, 1591; Waitangi Tribunal (2018), *Te Mana Whatu Ahuru*, part IV, chapter 19.1; Waitangi Tribunal (2010) *The Wairarapa ki Tararua Report*, pp 897, 1062

70 Jack Vowles (2021), *Local Government's Māori Representation Gap*

71 Waitangi Tribunal (2010) *The Wairarapa ki Tararua Report*, chapter 15.11.2

72 Waitangi Tribunal (2018), *Te Mana Whatu Ahuru*, part I, pp 155-156, 187-189

73 Waitangi Tribunal (2018), *Te Mana Whatu Ahuru*, part I, pp 34-39, 156-158; Waitangi Tribunal, *Ko Aotearoa Tēnei* (2011), *Te Taumata Tuarua*, pp 22-23

Current statutory provisions applying to local government – including the Local Government Act, Resource Management Act, the Land Transport Management Act and other statutes – do not provide for the exercise of tino rangatiratanga or application of tikanga to local decision-making. Rather, most provide for local authorities to consult and engage with Māori while balancing tino rangatiratanga alongside other interests.⁷⁴

Co-governance arrangements have emerged in recent decades, but usually in the context of Tiriti settlements, and then in relation to specific geographical features such as the Whanganui and Waikato Rivers.

At times, local authorities and iwi have adopted other mechanisms for iwi input into decision-making, including relationship agreements, and iwi representation on committees. Again, these have often applied to resource management, though there are some examples of broader council-iwi partnerships to create regional plans and pursue wellbeing initiatives.

In our early engagement with iwi, we heard that local government currently does things that iwi and Māori could do. Current arrangements limited Māori autonomy, which also limited the ability of iwi and Māori to take steps that would secure wellbeing for future generations.

Planned reforms to resource management and three waters create much stronger statutory obligations to give effect to Te Tiriti, along with provisions for joint decision-making and statutory protection for Te Mana o te Wai (the health and mauri of fresh water) and Te Oranga o te Taiao (the health of the natural environment). If implemented as currently planned, these reforms will apply specifically to water and resource management, rather than the whole local government system.

Consultation demands on iwi and Māori

In practice, consultation and engagement obligations can impose significant burdens on iwi without necessarily leading to better outcomes for Māori, or effectively responding to Māori concerns. In our early engagement we heard that the government and local government sectors needed to be more ‘joined up’ in their relationships with iwi and Māori.

The Waitangi Tribunal has recommended that the government should fund capacity building among iwi and Māori to ensure they are able to participate in council decision-making. It has also recommended “concentration of functions in fewer local authorities, so the burden of Māori having to form effective relationships with many different bodies is lessened”.⁷⁵

While the planned reforms to resource management and three waters appear to strengthen Treaty rights, they will also increase the demand on iwi and Māori communities.

74 Waitangi Tribunal (2008), *He Maunga Rongo*, pp 1575, 1591; Waitangi Tribunal (2010) *The Wairarapa ki Tararua Report*, pp 897, 1062

75 Waitangi Tribunal (2010) *The Wairarapa ki Tararua Report*, pp 1062-1063

“Current generations are only able to plant seeds for future generations.” Quote from iwi engagement

Relationships and cultural competence

Iwi representatives and Māori have told us that some local authorities are unable to form effective partnerships, because councillors and staff lack the necessary cultural competence, or lack understanding of Te Tiriti and New Zealand’s history.

We also heard that local governance structures can create barriers to long-term relationships. The nature of political cycles can mean that relationships form but are not sustained across time, and that policies or agreements are not always followed through to implementation.

The place of local government in Te Tiriti partnerships

Under current laws, local government is not regarded as a partner in the Treaty relationship.⁷⁶ Yet local authorities are creatures of statute, and, in many respects, they act on behalf of central government. During our early engagement, some iwi representatives told us that they see central and local government as “one and the same”, especially when they are carrying out delegated functions.

The Waitangi Tribunal has found that any statute that devolves powers or functions to local authorities must impose clear Treaty obligations and ensure that those obligations are met.⁷⁷

What are the implications for local governance?

Any future local governance arrangements will need to give authentic expression to the Te Tiriti relationship at a local level, and also support iwi and Māori aspirations for the wellbeing and prosperity of their people, and the health of the natural environment. Among other things, this could mean:

- ▶ Considering how the statutory framework for local governance might recognise and give effect to tino rangatiratanga, and incorporate Te Ao Māori values and principles.⁷⁸
- ▶ Clarifying the place of local government in the Te Tiriti partnership.
- ▶ Considering structures and mechanisms for partnership and shared decision-making over matters that are significant to Treaty rights and iwi and Māori wellbeing.
- ▶ Creating opportunities for local authorities and iwi / Maori to collaborate in order to advance wellbeing in their communities.
- ▶ Providing for community-led and ‘by Māori for Māori’ approaches to address social and economic development.

76 Local Government Act 1977, section 4; Waitangi Tribunal (2010) The Wairarapa ki Tararua Report, p 891

77 Waitangi Tribunal (2011) Ko Aotearoa Tēnei, Te Taumata Tuatahi, p 110

78 Waitangi Tribunal (2018), Te Mana Whatu Ahuru, part IV, chapters 21.5.4, 21.7

- ▶ Ensuring that iwi and Māori have sufficient representation in any local governance structures to protect their rights and advance their aspirations.
- ▶ Taking steps to increase the capacity of iwi and Māori to share in local authority decision-making.
- ▶ Recognising that one size does not fit all – iwi, hapū, Māori organisations and rūpū (groups) vary in size, capacity, territories, and interests and aspirations.
- ▶ Taking account of iwi and Māori rights and interests when determining local authority structures and boundaries.
- ▶ Training and upskilling local authority elected members and staff to ensure that local authorities provide a culturally safe and respectful environment for Māori.⁷⁹

Where to from here?



The Future for Local Government Review provides an opportunity to rethink local governance for the future.

It is an opportunity to look beyond fixed structures and roles, to design a system of local governance that is built on relationships; is agile, flexible and sustainable enough to meet future challenges, even those that are large and unpredictable; has the right mix of scale and community voice; harnesses the collective strength of government, iwi, business, communities and others; maximises common benefit and wellbeing; and creates the conditions in which communities can thrive into future generations.

Rethinking local governance

How might a future system of local governance more effectively contribute to community wellbeing? Many organisations contribute to local governance and wellbeing.

Local authorities create the spaces in which people live their lives. They shape the conditions in which people live, work, relax, play, and do business, and their services determine whether local environments are healthy, safe, easy to navigate, and attractive; and whether they create conditions in which people and communities can thrive.

Local authorities also represent their communities and reflect local voices. Because of their place-based focus, they can ‘see across’ issues that affect their communities and locations.

Businesses and industry provide employment and incomes, and access to goods and services including food, clothing, homes, and utilities. Their activities are of fundamental importance to wellbeing in their communities, and of particular importance to the wellbeing of their employees.

Business activity also plays a central role in creating the environment and atmosphere in town and city centres. Businesses build new communities and homes.

Iwi, hapū and Māori play vital and growing roles in advancing wellbeing within their rohe. Some iwi are major employers, and play critical roles in supporting education and training, housing, environmental restoration, and other activities that support wellbeing.

Some are leaders or partners in the governance and management of rivers, waterways, and other environmental features. Iwi, hapū and Māori bring knowledge, perspectives and values that support care for people and places, and healthy balance in all relationships.

Community organisations play many roles in their communities – connecting people for shared activities such as sport and recreation or artistic expression, providing vital support services during times of need, uniting communities to address common causes, and creating opportunities to contribute and experience a sense of meaning and purpose.

Family, whānau, friends and relatives, and neighbours all play critical roles in personal, social and cultural wellbeing.

Central government activities are of critical importance to local communities – providing schooling, health care, transport, income support, policing, and much more.

Communities thrive when all of these organisations play their roles to maximum effect. Current and future challenges – climate change, housing, mental health, or responses to technological change – cannot be addressed by individual agencies, but only through new and collaborative approaches.

Any future system of local governance will need to move beyond existing structures and siloes, and consider governance as a shared endeavour in which many players contribute and deserve a voice.

This will require new, more flexible ways of organising, and new ways of relating, in order to build trust, and act in common cause.

New approaches to collaboration

Our early soundings, and other research, suggests there is considerable interest in the local government sector for pursuing new and collaborative approaches in order to maximise wellbeing.

We have heard that local leaders want to play greater roles in dealing with pressing issues such as climate change and social deprivation in their communities, by building more effective partnerships in which central and local government, iwi, businesses, community groups and residents all collaborate to identify priorities and implement solutions.

International research suggests that collaborative approaches can be more effective than conventional responses to complex and rapidly evolving policy issues. ‘Mission-led’ approaches, for example, can allow communities (with sufficient funding and support) to find innovative and effective solutions that central government agencies would not have considered.⁸⁰

Building on these approaches, the Organisation for Economic Cooperation and Development has championed ‘anticipatory innovation governance’, which encourages continuous local adaptation and experimentation as a means of addressing complex policy problems as they are emerging, and, in particular, as a means of addressing issues that are too complex or evolve too quickly for orthodox policy responses.⁸¹

Research also suggests that collaborative approaches are most effective when they are supported by ‘anchor’ or ‘backbone’ partners who bring others together and guide action. Other key enablers include influential leaders and champions, adequate and sustainable funding sources, and consensus on urgency for change and direction of travel.⁸²

80 Mariana Mazzucatto and Georgia Gould (2021), *Mission-Driven Localities* (Project Syndicate)

81 OECD (2021), *Anticipatory Innovation Governance: What it is, how it works, and why we need it more than ever before*

82 Government Inquiry into Mental Health and Addiction (2018), *He Ara Oranga: Report of the Government Inquiry into Mental Health and Addiction*, p 120

Within the right framework and sufficient support, local authorities can be well placed to play cornerstone or anchor partner roles, because of their broad view across places and communities. Similarly, iwi and Māori, or community organisations, might choose to play such roles.

Collaborative approaches are already emerging in New Zealand, even in a local governance environment that is not conducive to supporting it. Local authorities, iwi, community organisations, central government and businesses are finding ways to work together, share decision-making, and try new approaches to resolve challenging issues.

Some examples include:

- ▶ Iwi and community leadership of integrated planning approaches which bring whole communities together to determine future goals and priorities – for example, Te Taihū Intergenerational Strategy and the Waikato Wellbeing Project
- ▶ Pacific Skills Shift, a partnership between MBIE, Auckland Council (UpTempo), Auckland Unlimited, and Pacific non-government organisation The Cause Collective supporting Pacific people to gain job skills and micro credentials to help them move into higher quality and more sustainable employment
- ▶ Social procurement that leverages local authorities' purchasing power for positive social and economic outcomes, for example, through the supplier diversity intermediary Amotai which supports fair inclusion of Māori and Pacific-owned businesses in public sector supply chains
- ▶ Integrated approaches that take advantage of place-based redevelopment projects to also advance economic development, civic innovation and social connectedness
- ▶ Iwi led wellbeing initiatives that bring together local authorities, business, and communities to tackle pressing social issues such as housing deprivation and crime – for example, the Ruapehu Whānau Wellbeing Initiative
- ▶ Collaborative business/council/government projects to create jobs in rural areas
- ▶ Co-design and participatory democracy approaches to development of council strategies, policies and programmes.

These collaborative approaches have typically relied on highly motivated local leadership, and on willing support partners – hence the involvement of iwi in many projects. While such 'green shoots' initiatives have emerged in New Zealand, not all are sustainable in the current operating environment. Leadership, shared vision, culture, relationships, and sustainable funding are all likely to be important ingredients in a more adaptive and collaborative system of local governance.⁸³

The future for local governance

This review is an opportunity to step outside existing structures and systems, and consider what wellbeing might look like for New Zealand communities in the future, and how that best might be delivered.

It is an opportunity to look beyond local government and consider local governance, encompassing all organisations with rights and responsibilities to guide their communities.

It is an opportunity for local and central government to build mutual understanding and trust, and find new ways to align objectives and collaborate on the basis of shared commitment to public service.

It is an opportunity to consider how New Zealand's business sector can innovate together with local government to contribute to local wellbeing.

It is an opportunity for New Zealand's system of local governance to embody Treaty partnership and draw on the strengths of all cultures to find uniquely New Zealand ways of working together and making decisions that advance the wellbeing of present and future generations.

It is an opportunity for communities to lead in creating solutions that meet their needs.

Our early engagement suggests a strong interest in new approaches, along with a commonly held view that change should build on existing and inherent strengths, and enhance connections between communities and governance.

There is common agreement that local authorities have a vital and continuing role to play in creating the conditions in which communities can thrive. But that role is likely to change. Planned reforms have raised questions about local authority functions and structures, and have therefore created an opportunity to innovate.

We have an open mind about future local authority functions, structures, and boundaries. We do, however, see local governance as an ecosystem with many contributors and moving parts, which is likely to be most effective when there is collaboration for common purpose.

Any redesigned system is likely to have certain 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.

Over the next year we will be seeking the views of communities, iwi, business, local authorities, government agencies and others on how such a system might be designed.

Priority questions

What are the broad themes that will guide our engagement and work on the future for local governance and democracy? Over the next year we will be engaging with New Zealand communities and organisations over the future of local governance and democracy.

This will include engagement with the local government sector, business and industry, iwi and Māori, youth, communities, and central government.

The following broad themes reflect our terms of reference, and will provide a foundation for our engagement and future work.

In broad terms – and consistent with our terms of reference – we expect to consider what the future system of local governance might look like, and then to consider related questions about functions, representation arrangements, funding, and so on.

We intend these priority questions to open conversations about the future system of local governance, and how it might most effectively create the conditions in which New Zealand communities can thrive even while addressing the significant changes and challenges that are likely to arise in future.

We are open to hearing about other possible lines of inquiry or emphasis as we continue our engagement.

1

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

The future wellbeing of New Zealand communities will depend on the actions of many people and organisations – including individuals and their whānau, businesses, iwi and Māori organisations, community organisations, local and central government, and many others.

In line with numerous other recent reviews, we see greater coordination, alignment and collaboration between these various players as essential in order to advance common goals such as shared prosperity, environmental health, and resilience to future shocks and challenges.

We also see considerable potential for that coordination and alignment to occur through community-led and place-based approaches. Current approaches are all too often disjointed and misaligned, and fail to take full advantage of strengths of the various players involved, including local authorities, iwi and Māori organisations, businesses,

and community groups. New approaches will be necessary to meet the complex challenges that are likely to arise in future.

During the next phase of our review, we will be considering what might be required to create a system of local governance that is fit for the future, and can adapt to future challenges and create conditions in which communities and businesses can thrive.

We expect this to have implications for every aspect of the local governance system. We will be asking, for example, what might be needed to create a system in which all players can effectively work together towards common goals, and how the system might genuinely embody the Treaty partnership. We will also be asking what the answers to these questions might mean for local governance structures; functions and roles; funding and financing mechanisms; lines of accountability; mechanisms for community representation and involvement in decision-making; and planning and decision-making processes.

Just as importantly, we expect to explore questions about culture and leadership, and how relationships are fostered. For example, what conditions might be needed to build trust and mutual understanding between the many organisations that contribute to local governance and wellbeing? And what conditions might be needed to create more effective working relationships between government and business, local and central government, local government and iwi/Māori, and local government and communities? In particular, what will be needed to rebuild trust between local and central government, and build more effective working relationships that contribute to common objectives and reflect a shared spirit of public service?

We are also interested in exploring other themes – for example, what might be needed to support agility, flexibility and responsiveness across the local governance system, so new challenges can be addressed in a coordinated and effective manner, and at appropriate scale; what conditions might best support innovation and purposeful experimentation so solutions can be tailored for local circumstances and then learnings shared across the whole system; and what roles might businesses, community organisations, local authorities and others play in supporting innovation.

In broader terms: what systemic changes are needed so local governance can best create conditions that maximise social, economic, cultural and environmental wellbeing?

2

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

Within a future system of local governance, local authorities will continue to play an important part in creating conditions for local wellbeing. But that does not mean existing local authority structures, functions, roles, and boundaries will necessarily be the best fit for the future.

In broad terms, as discussed above, this review will need to consider how local government might best complement and align with other organisations that contribute to community wellbeing. Within the local government system, we will also have to consider the best structures, and best allocation of functions and roles so that local authorities can maximise their contributions to community wellbeing and adapt to meet future challenges.

This will require determination of which current functions should be retained and which should not; what new functions and roles local government should take on (for example, in housing, health or other social service provision); whether any functions or roles would be better carried out by central government, iwi, or communities; or others; and how these matters might evolve over time.

It will also require consideration of the scale at which any functions might be carried out, the relationships between different functions, what scope there is for shared or collaborative approaches and for flexible approaches that can adapt as circumstances change, and how allowance might be made for the diversity of New Zealand's communities and local authority structures.

Existing reviews and reform programmes have variously prioritised economies of scale and scope, sub-national and regional coordination, national equity and standards, capacity and capability, rights under Te Tiriti o Waitangi, and community-led design and delivery as factors in determining the appropriate scale at which functions should sit.

Determining appropriate structures, and allocation of functions and roles, will require careful balancing of these and potentially other criteria, along with acknowledgement that New Zealand's communities are very diverse, and that one size will not fit all. It is important that existing reform programmes leave room for these matters to be appropriately considered across the local governance system as a whole.

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.

One important element of a future system of local government will be the statutory framework, including the purpose and responsibilities of local government, accountability arrangements, and clarity about the relationship between central and local government.

Also important will be the roles of national organisations that support local governance (such as the Local Government Commission, the Local Government Financing Agency, and the Department of Internal Affairs); as well as the national or shared support services available to local government, for example, through information systems, financing mechanisms, training and advocacy, and innovation and learning.

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

Te Tiriti o Waitangi can be viewed as an agreement to share authority in New Zealand, as a guarantee of Māori rights, and as an agreement to found a relationship based on expectations of shared benefit and prosperity. To embody partnership under Te Tiriti, a future system of local governance would need to respond to all three levels.

How the partnership might evolve necessarily depends on the aspirations of hapū, iwi and Māori, and on their future relationships with central government. It can also be expected to evolve over time, as the Māori population and economy grows.

Within the framework of a fully functioning Treaty relationship, we see local government and iwi as having potential to operate as natural partners. Both are intimately concerned with places and communities, both have potential to exercise significant influence on local wellbeing, and both – with new approaches – might therefore become powerful allies in creating conditions for mutual benefit and shared prosperity.

During the next year we will be engaging with iwi and Māori organisations, and seeking to understand how the partnership might evolve at a local level. We expect to hear about and consider many elements of the relationship including how tino rangatiratanga might be exercised at a local level over matters affecting the wellbeing of Māori communities and rohe (territories); how the responsibilities of iwi / Māori and local authorities might co-exist; what future partnership or co-governance arrangements might develop; how relationships between iwi / Māori and local authorities might most effectively be managed; how capacity might be built and resourced in iwi and Māori organisations to support effective engagement with local authorities; and how statutory processes for engagement and iwi / Māori involvement in decision-making might be aligned and be made more coherent so they do not create unnecessary burdens on iwi and Māori, or on local government.

We would also expect to hear about and consider matters such as how Māori communities and interests can most effectively be represented on local authorities and in local authority decision-making; how Māori rights, interests and values (such as manaakitanga and kaitiakitanga) can most effectively be protected in local authority decision-making; how Māori members might be effectively supported to fulfil their roles as elected representatives; and how all local authorities might ensure that they build sufficient cultural competence to provide culturally safe and respectful working environments for Māori members and staff.

Most broadly, we would expect to consider what scope there is for iwi / Māori and local authorities to work together in order to meet shared objectives for prosperity, environmental health, equity and equality, and social and cultural wellbeing.

4

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

Within a future system of local governance, we expect local authorities to continue to play an important role in leading and reflecting the views of their communities.

At this stage of our deliberation we have an open mind about future local authority structures, and about representation and governance arrangements. Scale, functions and roles might all be important considerations in determining those arrangements.

Whatever arrangements we ultimately recommend for local authorities, we expect leadership to play an important role. Leadership and coordination will be important in the long term, and during the transitional period in which resource management and three waters reforms are being implemented.

With respect to local democracy and governance, we expect to pursue four broad themes:

- ▶ how the system of local democracy can provide for more effective and meaningful community involvement in decision-making, given current low levels of trust, confidence and involvement;
- ▶ how the system can ensure that all communities and interests (including Māori, Pacific and Asian peoples, younger people, and renters) are more fairly and equitably represented in local authority decision-making and leadership;
- ▶ how the system can provide for effective leadership and governance, including stewardship over assets and finances; and
- ▶ how confidence and trust in the system can be rebuilt.

These broad themes are not particular to local governance in New Zealand, but rather are common to governance arrangements across the country and internationally.

Addressing these broad themes will require consideration of the implications of demographic change and diversity, and economic trends such as changing patterns of property ownership. It will also require consideration of the potential impacts of new technology on citizen participation and engagement, and potentially on the operation of future elections – bearing in mind that the available technologies are likely to change a great deal over 30 years.

We will consider whether there are potential benefits to be gained from new models of community engagement and participation, including active citizenship approaches, and participatory or deliberative models; And, if so, when and how those options might be effective, and what conditions would be required to make them effective.

We will give broad consideration to local authority electoral arrangements, including the recommendations made by Parliament's Justice Committee in its 2016 and 2019 reports concerning the local electoral system and the operation of local elections.

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

Local authorities vary considerably in financial strength. Many face financial pressures – some arising from growth, some from having small populations with high per capita asset costs, and some from central government decisions that impose additional costs without commensurate funding.

Any future system of local governance is likely to face greater tests – from climate change adaptation, future infrastructure and information technology requirements, and shocks such as disasters, pandemics, and global recessions.

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. They will also need to be adaptive, resilient, and wise stewards of community assets.

These factors will all contribute to our consideration of the future shape of the local governance system, including the appropriate functions and roles of local authorities at different scales.

Having addressed functions and roles, we will then be concerned with ensuring that local authorities have the right mix of funding and financing tools available to meet their responsibilities in the long term.

This will include principled consideration of the mechanisms available, including rating, user charges, taxes and other sources. It will also include consideration of funding and financing sources. This might include consideration of when local authorities' funding obligations should be shared across local government, or with other partners; and when central government co-funding of local government activity might be justified – as recommended by the Productivity and Climate Change Commissions for large challenges or shocks, and for local services with national benefits.

More broadly, the next phase of our review is likely to include high level consideration of the principled basis on which funding decisions are made, including appropriate balance of the beneficiary and exacerbator pays principles alongside others such as efficiency, transparency, equity, and impacts on local government autonomy.

We are interested in the place of equity in this mix, including inter-generational equity, and horizontal equity within and between communities including matters such as ability to pay. We are also interested in how benefits are determined and allocated; and in the incentives created by funding decisions and the resulting impacts on prosperity and wellbeing.

Future local authorities will continue to require appropriate mechanisms for financial planning and accountability. We see scope to consider whether transparency and accountability can be assured in more flexible and meaningful ways than at present.

Finally, we reiterate that we see local authorities as one part of a future system of local governance, alongside other partners such as iwi and Māori organisations, businesses, community organisations, and many others. There are broad questions to be answered about how central and local government funding might most effectively be used within that system to maximise overall prosperity and wellbeing. Other reviews have advocated for local communities to be resourced and supported to design and develop their own initiatives, especially for disadvantaged communities where current programmes and services are not achieving significant impact.

Our decision-making principles

The following principles will guide our responses to these priority questions and engagement.

How we will approach our work

We will seek to:

- ▶ Be bold, looking beyond traditional responses and instead address the systemic or root causes of issues with local governance.
- ▶ Build open, honest and respectful relationships.
- ▶ Base recommendations on high-quality analysis and insights, informed by evidence including the lived experiences of the people we engage with.
- ▶ Use strengths-based thinking, which acknowledges and builds on inherent strengths and capabilities, and considers appropriate scale and scope relative to these strengths.
- ▶ Be inclusive, providing for diverse voices to be heard.

Principles to shape the system change

We will pursue ideas that:

- ▶ Maximise positive impact at a system level.
- ▶ Draw on the strengths of the existing system of local government and democracy.
- ▶ Strengthen conditions to enable iwi/Māori and other partners to take action with local government.
- ▶ Build greater resilience, supporting local government to adapt to future challenges so they can create the conditions in which their communities can thrive.
- ▶ Are inclusive and equitable, delivering benefits for whole communities, and protecting the interests of future generations.
- ▶ Draw on Te Ao Māori and mātauranga Māori.
- ▶ Provide a clear, sustainable and affordable pathway.

Early opportunities

What early opportunities are there to build on existing strengths and address current challenges in a context of reform? During the coming year we will be engaging widely to seek input on New Zealand's future system of local governance.

We expect that to lead to broad recommendations for reform, applying to structures, functions, and many other elements of the system. It is important that this work takes place in a broad and coordinated manner that takes account of the whole local governance system.

Nonetheless, we see opportunities for immediate steps that can benefit the local governance system and local communities while paving the way for future reform. These include 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.

We also see it as important that existing reform programmes take place in a coordinated and aligned manner that take account of potential implications for future local governance reforms.

Resource management reforms

Planned resource management reforms provide for the establishment of new regional governance and decision-making structures for spatial planning and natural and built environment planning. We acknowledge the need for central government to press ahead with resource management reforms, and see potential for significant benefits from spatial planning approaches that bring central government, local government, and iwi together and support collaborative action. However, we caution that any new structures should be transitional, since we believe that local government reform will see new structures recommended.

The transitional arrangements must be designed with appropriate political accountability and funding mechanisms in place for plan-making, approval, legal defence, and implementation and enforcement, a strong role for iwi and hapū in decision-making, along with sufficient space for diverse local community voices and views in decision-making processes.

It will take a number of years and considerable staff and planning resources to prepare a new regional plan that incorporates all existing regional and district plans. This will require technical staff expertise and considerable effort from the political representatives and iwi involved. Capacity is not currently present at either a regional or local level, nor with iwi. Collaboration and partnership will be required to deliver the

plans, and the structures adopted should build on the learnings from the operation of regional land transport committees and the emerging urban growth partnership models.

Until this review is completed and decisions made about future local governance structures, we consider that regional and unitary councils will be best placed to host their regions' Regional Spatial Committees (that includes representatives of territorial authorities, Iwi and central government) and a Natural and Built Environment Committees. To fund the region's share of these processes, there will need to be agreement among the respective parties.

Health reforms

Central government cannot solve some of our key public health issues alone – for example, obesity, mental illness, pandemics, and misuse of substances. Greater coordination and collaboration will be required between central and local government, health providers and consumers, Iwi and others.

The planned health sector reforms have a significant local component which provides an early opportunity for greater local government involvement, in order to provide for strong community voice and participation.

The reforms aim to achieve national consistency in health care and public health, while also ensuring that primary and community services are tailored to local needs. Locality networks (including health providers and consumers) and Iwi-Māori partnership boards will have input into design and decision-making about local services.

Local authorities currently play significant roles in public health, through activities that support healthy lifestyles (such as recreation and sports facilities, parks and reserves, active transport networks, and land use and place-making functions); mitigate harm (for example, through regulation of alcohol, gambling, food safety, and hazardous substances); support social cohesion (for example, through provision of community facilities and programmes). Some local authorities already partner with central government on programmes to promote active communities.

Local authorities are therefore well placed to support community participation in design of and decision-making about locality networks, and more broadly to work with central government in shaping a public health system that leverages existing local authority contributions and takes account of community aspirations and needs. One option is to establish a joint central-local government steering committee which could have input into the design of public health services and locality networks.

Supporting digital capability and capacity

Independent local authority investment decisions have created an environment of dispersed information and communications technology (ICT) systems, with little or no regard to interoperability or sharing of applications or platforms. This is true of both the back office or enterprise systems as well as any customer-facing applications. We are concerned that the proliferation of systems and the lack of

interoperability is impacting effectiveness and efficiency, and might also be a barrier to future integration opportunities, both data and otherwise. The different timetables of local authority ICT investment mean that combined investment does not occur.

In coming years, local authority ICT systems are likely to require significant investment to support the transition to new three waters and resource management systems, ensure better data security, and meet growing community expectations. This is likely to include a need for significant digitisation of council information. In addition, effective responses to climate change will require councils to capture and share data at levels beyond current capacities. Current systems of data collection, storage, security and retrieval vary widely and in many cases are not fit to manage for future demands. This exposes local authorities, and the whole country, to significant risks and unnecessary costs.

Central government has recognised the benefits of joined-up investment in systems and capabilities for information-sharing, digital identity and security, and to establish stronger evidence bases for decision-making and prioritisation. Opportunities exist to extend this across the wider system to local government. Adopting shared systems approaches at national or sub-national levels could take advantage of scale, increase efficiency, align and strengthen systems, address digital inequities across the country, and meet future needs. Apart from the potential cost benefits, we see gains in effectiveness and in presenting a unified view both to, and for, the citizen.

We note that any system change must be matched by appropriate governance mechanisms and incentives for individual agencies to work collectively.

Future investment in enterprise systems should be made with regard to an accepted standard ICT architecture across local government so that over time there is alignment of systems - ideally a common architecture will enable maximum flexibility across local and central government and enable decisions about function and form to be independent of any ICT system constraints.

Central government is currently facing this issue as part of the health and vocational education reforms - there is an opportunity to learn from and potentially leverage off, any future investment decisions that seek to create a unified ICT environment for these sectors. Few existing local authorities have the funding and leverage to justify significant investment in new systems. Therefore, this should be explored in a partnership funding model between central and local government to find the 'investment sweet-spot' where both effectiveness and efficiency can be balanced. Similarly, there will be lessons to learn from Auckland Council's ICT rationalisation process on what is needed to achieve large scale, complex but vital system change.

In the short term, there should at the very least be an initial stocktake of existing systems and preparation of a roadmap for transition together with an appropriate business case. In addition, there is an opportunity for local government to work with the Government Chief Digital Officer (Department of Internal Affairs) to identify common opportunities and possible co-investment.

Supporting new and collaborative approaches to local wellbeing

Some local authorities are already experimenting with collaborative, community-led approaches to local wellbeing.

Working alongside iwi, community organisations, businesses, and others, they have (among other things) sought to address issues such as housing deprivation, sustainable employment, and supplier diversity, or to develop shared visions for future development. Collaborative approaches of this nature can uncover new, locally-led solutions to complex policy problems, which can then be shared across the local governance system.

Such approaches do not need to wait for major systemic, structural or legislative change. Rather, they can develop now. Effective and innovative leadership is a key ingredient, alongside clarity of vision, sustainable resourcing, and sufficient willingness and incentive to experiment.

We see potential to stimulate locally-led collaboration and innovation of this nature by leveraging a portion of the planned three waters transitional funding. Current criteria would need to be broadened for this purpose.

In addition to the potential for direct benefits and learnings from such projects, there is potential to build community and local governance capability to adapt as new challenges emerge; to build stronger relationships between local government, business, iwi and other partners to support innovation and wellbeing goals; and to develop a culture that enables and encourages innovation – all of which are likely to be important ingredients in an agile system of local governance that can meet the needs of future generations.

Iwi capability and capacity building

Iwi and hapū participation in local government processes, structures and functions is essential, yet current approaches place great strain on their ability to participate effectively at the level required.

There are numerous statutory provisions requiring local government engagement with tangata whenua (including iwi authorities) and Māori. These provisions differ from statute to statute, and operate in isolation from one another, creating engagement processes that are demanding and disjointed, even when for iwi the interconnections are clear.

Planned reforms (including resource management, three waters, and Māori wards) will further increase the roles of iwi and hapū in local authority representation, governance, decision-making and participation, adding to existing demands.

We see a need to address the capacity of iwi and Māori organisations to take part in these engagement processes. This will require dialogue between central government, local government, iwi and Māori, with a view to developing a national framework for capacity building. This framework could map out what would be required for iwi to exercise rangatiratanga in their relationships with local government, and options to enable and appropriately resource this, including capacity and capability building.

Issues to consider would include where a larger role for iwi might be desirable and how this can be supported, and where the right interface might be with central and local government.

Māori wards

At the 2022 local elections there will be a significant influx of councillors representing Māori wards. To ensure they are supported and can maximise their contributions, several steps would be helpful, both within councils and across the local government system.

At a council level, further training is needed to lift the cultural competence and knowledge of elected members and staff well beyond current levels, and to support a culturally safe, respectful and effective working environment for new elected members. A national support network could help to ensure that new councillors can share experiences and are effectively supported by their peers. National support may be needed so local authorities can build the competence and knowledge they need to work effectively with hapū, iwi and Māori organisations.

At present there is no single organisation with responsibility for providing that national support, or more broadly for overseeing local authorities' relationships with iwi and Māori or building bridges between local government and Māori.

While relationships will necessarily differ from place to place, we see potential for benefit from national support. Possible options include Te Maruata (the Māori Committee of Local Government NZ), Te Arawhiti – The Office for Crown-Māori Relations, or another provider.

Local government impact statements

A common view among local authorities is that central government regularly imposes costs or obligations on communities without adequate consideration of the impacts. More broadly, we have heard that the local-central relationships are characterised by mutual misunderstanding.

As one element of a more collaborative and trusting working relationship, central and local government could build on existing regulatory impact statements, by jointly developing local government impact statements that assess the impacts of government decisions on local authorities.

Joint development of these statements could:

- ▶ increase transparency about the impacts of new regulatory requirements, and about cumulative impacts;
- ▶ build trust and mutual understanding between central and local decision-makers;
- ▶ create potential for dialogue about how local government might contribute to solutions, and about innovative approaches that could achieve desired outcomes without imposing unfunded cost burdens on local authorities.

As part of our broader work programme, we will be considering how trust can be built between local and central government, and how the two sectors can work together more effectively and with greater alignment of purpose.

Our approach to engagement

We'll be actively seeking a diverse range of views as we develop our recommendations for the future of local governance and democracy. In the coming months we will be engaging widely about the future of local governance and democracy. We want to understand the issues, and hear a diverse range of perspectives that stretch our thinking about what is possible.

We want to hear about people's hopes for the future of their communities and how their local places can be enhanced to improve their wellbeing, as well as their ideas about how decisions should be made, how they can participate more easily in local democracy, and how local services are delivered.

We will be engaging with iwi and Māori, community leaders and groups, business people, young people and a wide range of other diverse communities in our cities, towns and rural areas, as well as those who are already part of the local government system.

Local governance and democracy affects everyone, so it's important to us that everyone can have a say.

Alongside our research and policy work, the voices and experiences we hear will inform us as we develop options and recommendations for our draft report to the Minister of Local Government in 2022.

Our commitment

We want to hear from a diverse range of voices. We will be open to what we hear. We're ready to be challenged and to engage in hard conversations.

We'll use innovative approaches to ensure that our engagement processes are accessible, actively seek out new or less frequently heard voices, and do not impose undue pressure on diverse communities, including iwi and Māori.

Our engagement programme

Our engagement programme will include online and in-person workshops and wānanga, webinars, online surveys and crowd sourcing opportunities, stakeholder conversations, and local government meetings, so that we encourage widespread participation.

- ▶ September 2021 to April 2022 will be a time for broad exploratory kōrero about our priority questions through wānanga, workshops and online, with a range of groups and communities.
- ▶ In early 2022 we'll release an online tool to help people share ideas and views.
- ▶ In March/April 2022 we will also connect with local authorities to share our thoughts and get feedback on key ideas and opportunities.
- ▶ From April to August 2022 we will be focused on testing and refining key ideas and approaches for the future for local governance and democracy.

Our programme will evolve over the year. We'll need to be flexible and try to use digital channels, work with existing networks and draw on the innovative engagement approaches of others, as we manage the challenges of changing Covid-19 Alert Levels.

After this initial phase of engagement we will be preparing a draft report for the Minister of Local Government, containing options and recommendations. The draft report is currently due by 30 September 2022. We will then undertake formal consultation and receive submissions before completing our final report to the Minister in April 2023.

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