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1. Matters of principle and process:		
1.1.	We are acutely aware of the pressures and constraints on the current system of local government and acknowledge the need for the system to evolve.	Whakatāne District Council acknowledges the context for change that has been set out in the Interim Report for the review. The context aligns very well (albeit at a more macro level) to that which underpins the priorities set out in our Council Long Term Plan. We accept that local government is under pressure and that there are numerous system constraints to effectively addressing the opportunities and challenges that our communities are facing and will face into the future. We welcome the opportunity to explore how the 'system' of local government should evolve to support vibrant and resilient communities into the future.
1.2.	To embrace an empowered and integrated public service we strongly advocate that central government <i>must</i> evolve alongside local government.	<p>We consider the way forward is to move from the current siloed approach to a collaborative public service ecosystem. This acknowledges that the challenges and opportunities facing local communities are not for local government alone and that national through to very localised solutions are and will be needed. Central government needs to be equally committed to this opportunity and has a stronger role to play in local wellbeing.</p> <p>We strongly advocate that central government must genuinely participate in this kaupapa, and be open to change and evolution as much as local government. Better coordination of central government's broader reforms programme (see item 1.4 below) should provide some opportunities for co-evolution. This said, the commitment from central government must be broader than the existing reform agenda, as recommendations from the FFLG review could relate to a broader range of matters and opportunities.</p> <p>We note that the FFLG review will need to bridge the next general election cycle and suggest a proactive approach by the Panel to support continuity in the direction of the review.</p>
1.3.	We expect the review to make strong well-founded recommendations 'to' central government rather than be dictated 'by' central government.	<p>The recommendations from this review need to be well evidenced, developed collaboratively and be well supported – providing a strong case for change up to central government. We need to make a convincing case, well informed by 'local' knowledge and experience and not let the review happen to us.</p> <p>There is concern following the way the Three Waters Reform was progressed, that much genuine effort could be put into the review only for the outcomes to be directed by predetermined central government mandate.</p> <p>We fear any imposed top-down approach to reform would damage rather than strengthen relationships, would not set future local government up for success, and harm the intended outcomes of the review.</p>
1.4.	The various reforms need to be better coordinated. The FFLG work programme should take a lead role to connect various reforms	The terms of reference for the Future for Local Government Review notes that it will not include review of central Government's planned resource management or Three Waters Reforms. Given the significant implications of these reforms for the local government sector - and the Future for Local Government review

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	through a local government opportunities lens.	<p>taking a 'whole of system' approach - it is disappointing that central government has not coordinated these reviews better.</p> <p>We support the comment made in the Future for Local Government Interim Report (p.31) that the "implementation of the planned 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". We note at the time of drafting this feedback, that research has commenced on the resource management workforce (as at early June 2022), to inform how the future RM system might be implemented. This will be a critical conversation that needs to cross over both reforms.</p> <p>Further, there are numerous reforms ongoing at this time focused on both local and central government services and entities and there does not appear to be a great deal of coordination across these. There is opportunity for the Future of Local Government Review to inform those reviews and vice versa. We would suggest a working group be set up under the FFLG programme, under an MOU with DIA and the ministries leading key reform programmes.</p>
1.5.	We consider a one-size-fits-all model will not address regional differences nor be appropriate to New Zealand's inequality landscape. There must be flexibility and self-determination built into the new system of local government.	<p>While the Whakatāne District Council acknowledges the context for the review as being broadly relevant - we note a more nuanced local (Whakatāne District) context that is not able to be expressed within a review of this scale. There are multiple contextual factors that are perhaps unique to our District, or in other instances baring greater intensity and relevance for our District compared to many others.</p> <p>Take for example that we have a large District to service, with a small ratepayer base, elevated levels of socio-economic disparity, numerous smaller and some remote rural communities. This provides a very different scenario for engaging with communities, providing services, and securing revenue, compared to metro councils.</p> <p>These types of factors point to a need for any redesign of local government systems to have the flexibility to respond to diversity of local context, to provide local solutions at the local level, and to ensure all communities have the resources needed to support their vibrancy and resilience.</p>
1.6.	We suggest the review must take a strengths-based approach, that upholds mana and relationships.	<p>We are very conscious of the need for the review to take a strengths-based approach in order to move forward effectively.</p> <p>It will be important to capture the strengths, innovations and successes that the local government sector offers and regularly achieves. The review should acknowledge and seek to leverage and extend the respective strengths of all involved and build from this positive platform. Taituara regular showcases these successes from across the sector and should be approached for examples.</p> <p>The review must also seek to uphold the relationships and mana - this is important to not only strengthen and uplift partnerships needed for the future local government into any implementation phase, but also to support general public confidence in all levels of government as we work through this period of change.</p>
<p>2. Strengthening local democracy</p>		

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2.1.	<p>Local means <i>really</i> local!</p> <p>To understand and respond to a very diverse set of local needs and aspirations requires us to remain locally connected.</p>	<p>Whakatane is a diverse District. The main urban centre takes in around half the population with more than 10 smaller settlements, as well as rural communities taking in the balance. Just under half the population is Māori and the rohe for six Iwi overlap principally with our District. Each of these communities has its diverse needs and aspirations, as do ‘communities of interest’ that form around non-place-based sense of identity.</p> <p>Engaging with these various communities, building trust and understanding, and championing local needs and aspirations can only really happen meaningfully at the local level.</p> <p>Current representation arrangements for Whakatāne District Council provide for a Mayor, Council of 10 and four community boards each with 6-8 members, for a total of 37 elected members. At this upcoming local body election we will also be introducing Māori wards to further strengthen our representation arrangements.</p> <p>We consider that the democratic arrangements for the Whakatāne District, need to remain really local - whether through the scale of council’s and/or local board systems. In either model autonomy needs to be delegated to allow decision making and response at a very local level.</p>
2.2.	<p>We consider ‘local’ connection and leadership to be our comparative advantage, we welcome the opportunity to build and leverage this strength for even greater impact.</p>	<p>Local democracy, knowledge and connection is a key strength and comparative advantage of local government. Compared to central government, we are close to communities, we have local knowledge, and local connections and are generally more accessible (through geographic proximity and less layers of bureaucracy). Our governors, and our policy and decision-making functions are close to local communities and therefore well positioned to respond to local priorities.</p> <p>Given the diversity of our communities and of their needs, this suggests local government needs to retain a very local presence in order to understand and respond to community wellbeing.</p> <p>We certainly see benefits in strengthening democracy and welcome the intentions of the review to explore opportunities for how this could be progressed. The goal through this review should be to leverage and build on the strength of local democracy for even more impact.</p>
2.3.	<p>We believe local government needs to be recognised constitutionally – that constitution should also provide the foundation for the relationship of local government with central government and with Iwi.</p>	<p>The “Arewa Ake Te Kaupapa” discussion document for this review references an NZ Productivity Commission insight that “Local government is not an agent of central government, and central government should stop approaching things this way. While we are very supportive of a closer, stronger relationship between local and central government, Whakatāne District Council supports this insight.</p> <p>As has been discussed throughout this submission, we believe the place of local government should be specifically acknowledged and reinforced constitutionally (perhaps through entrenched legislation). This essentially seeks to achieve a deeper, more fundamental foundation for local government that is less prone to amendment and reform over time. Potentially this would cover aspects such as our status as a democratic entity, our purpose, and role. This would also be the place to formalise a new relationship that local government should have with Iwi entities and central government at the high level.</p>

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		Such an approach would raise the profile of local government, provide clarity of relationships, and support the autonomy and accountability of local government as separate from central government, and clarify Te Tiriti obligations at the local government level.
2.4.	A 'systems' approach is needed to provide for more meaningful engagement between central and local government. This should include a stronger role for local government in shaping central government priorities and to enable greater responsiveness to community as needs and opportunities arise.	<p>Central government policy, regulations and funding are not well informed by local reality. We feel small communities like many in our District can be invisible in the policy processes. The current approach tends to be reactive with local government as a customer rather than a partner to central government and with the relationship tending to silo to ministries. Strong relationships with specific ministers helps to get momentum but these relationships can be adhoc and situational.</p> <p>A systems approach is needed to provide a stronger role for local government in shaping central government priorities and policy making. Within this, we would ask for better coordination of the central government relationship with local government and for a more proactive role in decision making that affects local government and local communities. As part of possible solutions, the concept that has been put forward for a 'House of Mayors' as put forward by the 'Friends of the Panel' group, should be explored further. This would help lift the profile and understanding of the roles of local government and Mayor.</p> <p>We also would benefit from established and direct engagement with central government to partner on, and be more responsive to, issues concerns and opportunities as they arise – particularly in instances where there is an immediate or pressing need.</p>
2.5.	We request that aspects of the governance system be modified to better support elected members including a longer term of office and more realistic level of remuneration.	<p>We feel there are limitations in the current governance arrangements that could be easily strengthened to support elected members.</p> <p>We suggest extending the term of office to four years. This would allow new elected members to come to terms with what is a very complex entity and role and be effective in the term. A longer term would also allow elected members more time to gain traction on their policies and priorities before engaging in the next election cycle.</p> <p>We consider the current remuneration structure a barrier to diversity on Council. The remuneration does not provide a livable salary and therefore excludes potential candidates who need to rely on this income for their living costs. The remuneration rate may push potential candidates towards other career development opportunities.</p> <p>We also consider that the remuneration doesn't fairly recognise both the increasing level of time required of elected members and the increasing complexity of the role.</p>
2.6.	We need to build greater understanding, trust and confidence between local government and the public.	Currently there are low levels of participation in local elections, mixed uptake of engagement processes, a (global) rise in misinformation and divisive discourse, and a relationship between Council and public that tends to be tainted by focus on rates costs. We would like to build greater understanding, trust and confidence between the Council and the public. This review provides the opportunity to explore a broad suite of means to support this intention. A number of ideas are suggested below – many linked to other points made in this submission:

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		<ul style="list-style-type: none"> • Align central and local government election timing, process, and promotion. • Build better understanding through civics education in schools. • Lift the profile of local government by providing a House of Mayors in parliament and/or other direct channels for local influence in central government policy. • Provide alternative funding models that help to reduce the overwhelming focus on rates costs and encourage focus on the priorities and outcomes. • Provide a framework for more meaningful public engagement in decision making.
2.7.	<p>Communities don't necessarily understand or differentiate between various levels of government. Opportunities should be explored to coordinate services and information better.</p>	<p>We also find that local communities often approach us - their local Council, the Mayor and elected officials on a broad range of local wellbeing concerns and matters beyond local government roles and functions. We believe this is due to the accessibility of local government, the role that local government has to advocate to central government on behalf of local communities, and perhaps in some cases a lack of understanding the distinction between various levels of government and their respective responsibilities.</p> <p>Local government is complex, with responsibility for a very wide range of services, facilities and infrastructure – and it is not often clear to the community where responsibilities of one government entity stop and the next starts (eg regional councils are responsible for public transport, territorial authorities are responsible for bus stop shelters).</p> <p>While one approach would seek greater education and understanding of the distinction, there is also an opportunity to explore greater coordination of government services and information to make things simpler for the public and easier to engage with.</p>
2.8.	<p>We support the exploration of a broader mix of participatory, deliberative and representative democratic tools. We need a framework to engage citizens meaningfully while also supporting efficient decision making. Technology will help - but the digital divide needs to be addressed first – and face to face remains fundamental.</p>	<p>We are supportive of the intention to provide a mix of participatory, deliberative and representative democratic tools, to strengthen community engagement in decision making. We don't necessarily have strong views on specific solutions as each tends to have advantages and disadvantages. We note that the sector continues to evolve and innovate its engagement practice away from traditional consultation towards the co-design and collaborate end of the public participation spectrum (not so much to the level of empower).</p> <p>We would again suggest that this is a strength of local government compared to central government. For example, at the local level we have knowledge of communities, access to local media, local facilities, events and networks that can be leveraged as opportunities for kōrero. We also tend to be more available in person. We note that doing this well requires resource, time, and commitment. For example, Whakatāne District Council held a major engagement event in 2017 under a community visioning and empowerment project called Whakatāne Ki Mua. Almost 3000 people participated in the ideas phase of Whakatāne Ki Mua, providing over 18,600 comments and ideas. The engagement spanned over three months and involved evenings, weekends, sports days, events, survey, leveraged established forums and groups, engaged schools, and used traditional and social media.</p>

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		<p>We are conscious under the current system of how frequently we seek to engage the public on Council matters and that this can lead to consultation fatigue for both the community and Council. Ideally any new systems of citizen engagement and participatory democracy will provide for Council to engage meaningfully and deeply on matters of significance while allowing and trusting elected members to 'get on and govern'. A new system should be well resourced but also consider the need for efficiency.</p> <p>Technology (online) is being advocated as offering greater potential. We agree, but with the caveat that our District continues to have a substantial digital divide due to wealth and infrastructure limitations. These would need to be addressed to ensure that portions of our communities are not further disenfranchised from government and democracy. We also note that face to face is often needed – and helps build trust, particularly in a District with a high Māori population. This also reinforces a common theme in our submission that local government needs to retain a local presence.</p> <p>Only some aspects will require legislative reform. The review panel may wish to consider whether the existing good practice and innovation in the sector can also be celebrated, supported, encouraged, and resourced through other means.</p>
<p>3. A stronger focus on wellbeing</p>		
3.1.	<p>Local government, Iwi and central government are natural partners in local community wellbeing. Central government needs to be a stronger partner at the local level.</p>	<p>Local government, Iwi and central government are natural partners in community wellbeing. That is to say, at the highest level we similarly share a broad commitment to the wellbeing of people, communities and place.</p> <p>Whereas the administration of local government and Iwi are close to local communities and of a smaller scale than central government, central government delivers a range of functions and services at the local level. We also note that wellbeing at a national level is for the most part the aggregation of a locally determined outcome.</p> <p>We consider there is much promise in a strengthened framework for partnership at the local level between local government, Iwi and central government. As part of this partnership we think there is need for greater investment by central government into services, infrastructure and wellbeing delivery at the local level.</p>
3.2.	<p>Community wellbeing is already very much the focus of what we do – we would welcome more enabling systems to reinforce and strengthen our commitment to take action and have greater impact.</p>	<p>Council is strongly supportive of community wellbeing being the central foundation to the Future for Local Government Review. A broad mandate for promoting community wellbeing is already embedded within the purpose of local government and is very much the foundation of Council's vision and priorities (in the Long-Term Plan).</p> <p>This said, through this reform - and the broader reform programme being progressed by central government, we see opportunities to strengthen the community wellbeing and placemaking that local government already contributes to.</p> <p>The right systems for collaboration, for long-term planning and most crucially funding - alongside the retention of 'local' decision making autonomy - are the critical elements we see to reinforcing and strengthening our wellbeing role.</p>
3.3.	<p>Our commitment to wellbeing through the</p>	<p>Prior to 2012, the purpose of local government was centred around community wellbeing. In 2012 this was changed to the provision of "good-quality local</p>

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	purpose of local government should be given greater reverence and protection - and not regularly changed by successive Governments.	<p>infrastructure, local public services, and performance of regulatory functions” (essentially a move away from general powers of competence). It was then reinstated to the promotion of community wellbeing in 2019.</p> <p>This change to our purpose statement is confusing for both local government and for the communities we serve. It erodes trust and can undermine the long-term commitment needed to progress community wellbeing. Interference with the purpose of local government by central government in this way is not helpful and should be avoided in the future. Through this reform, our purpose should be given greater reverence and protection.</p>
3.4.	Wellbeing is derived at the local level and encapsulates many various priorities from one community to the next. Local government is well placed to understand and respond to local needs and must retain decision-making autonomy at the local level.	<p>Community wellbeing is for the most part derived at a local level – our health, wellbeing, employment, social connections etc. being oriented largely around the places where we live. The priorities, aspirations, and needs of communities are complex and will vary significantly from one community to the next (geographically and communities of interest).</p> <p>As mentioned earlier in this submission, local government (compared to central government) is well positioned to understand and respond to local needs and aspirations. This ‘closeness’ allows us to deliver to the front door of communities.</p> <p>We reinforce again that we need to retain a meaningful level of decision-making autonomy to be able to respond at the local level. We otherwise see a risk of smaller communities (such as those that make up the Whakatāne District) being left behind as the focus and resource is prioritised to larger centres.</p>
3.5.	In the interests of strengthening collaboration and partnership we suggest it would be useful to consider the scale of local government alongside Iwi rohe, central government districts, and communities’ own sense of identity.	<p>In the interests of the strengthening collaboration and partnership we suggest it would be useful to overlay local government functions, roles and structures against the scale of Iwi rohe and central government districts (electorates, health, police, education, social development etc) as well as local communities’ own sense of identity.</p> <p>We don’t advocate that these need to be aligned but at least deliberately considered in the context of strategic relationships. For example, Whakatāne District currently falls across two police districts (Eastern Bay of Plenty, and Rotorua), while the Bay of Plenty District Health District matches the Bay of Plenty Region but excluding Rotorua which instead joins Taupō as part of the Lakes Health District.</p> <p>We also note that community identity and communities of interest is a critical part of the consideration. This sense of identity along with autonomy for local determination reinforces diversity and uniqueness.</p>
3.6.	We see the need, demand, and gaps at the local level and welcome opportunities for a stronger deeper civic leadership role to respond. We don’t want to deliver central government core services – we do want to	<p>We support the intent of the review to “increase central and local government collaborative efforts to focus on wellbeing, including health, housing, education, community safety, and economic, social, cultural and environmental wellbeing”.</p> <p>For clarity Whakatāne District Council does not necessarily see its role as delivering core central government services. There are however, many opportunities where our strengths and localism can add value.</p> <p>Being close to communities we see local gaps and opportunities - but feel we don’t necessarily have the right frameworks or partnerships in place to address these as proactively as we would like. In particular, numerous ongoing challenges underpinned by socio-economic disadvantage need to be addressed</p>

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	collaborate and coordinate better, and leverage each other's strengths to deliver.	<p>at both a root cause and symptom level. For example, this involves unlocking the rich economic development and employment opportunities of our economy, through to addressing challenges such as access to services, homelessness and overcrowding, poor housing quality, digital divide, and crime to list a few examples.</p> <p>We see opportunities through this review to strengthen local collaboration and deepen the wellbeing and placemaking role that we already have, and to be more able and agile to address gaps and opportunities at the local level. We consider local government should have a stronger (and more formal) role as a backbone entity for local level collaboration.</p>
3.7.	<p>We acknowledge scale (of functions, roles and structures) must be explored in this review. This must genuinely consider subsidiarity and localism alongside consolidation. Our main concern is that smaller and rural communities (like those that make up the Whakatāne District) are not left behind.</p>	<p>The Review Panel suggest in their shifts that “local government functions, roles and structures (need to) reflect the appropriate level of subsidiarity and localism, while securing needed resources and economies of scale to ensure competent, sustainable and resilient entities/organisations”. We are open to this exploration with the acknowledgement that the underlying principle is the promotion of local wellbeing and local democracy, while ensuring as a system we are fit to meet future challenges.</p> <p>As this review evolves the consideration of scale and structure is increasingly applying differently to various aspects of local government as follows:</p> <p>1: democracy, policy, planning and decision-making functions – throughout this submission we advocate that this needs to remain very local and with a high degree of autonomy. This is to ensure we can be responsive to community wellbeing and resilience needs at the local level and not become lost to a focus on larger population centres.</p> <p>2: service delivery arrangements – we are conscious that the reform of Three Waters and resource management functions is oriented towards consolidation. We have a high expectation that this will not predetermine any outcomes for the broader FFLG review. The viewing glass must be turned both ways for any further reviews – that is to say, subsidiarity must be genuinely explored alongside any consideration of consolidation. Any further review of services/ delivery arrangements are perhaps best assessed by local government itself. Councils can explore and enter into shared service and CCTO arrangements where this best suits the achievement of intended local outcomes.</p> <p>3: revenue and financing arrangements – we discuss in this submission a preference for greater central collection with localised distribution.</p> <p>We also suggest there needs to be careful consideration of risks to coordination and information asymmetry for aspects of local government that are not delivered ‘under the same roof’. Already a strong thread of concern running through other reforms has been to ensure genuine pathways of influence to enable local level needs and aspirations to be effectively elevated and prioritised. The key concern being that priorities for smaller communities and smaller population centres (like those that make up the Whakatāne District) will not come to the fore against priorities of larger population centres.</p>
3.8.	The priorities of central government for community wellbeing	The priorities of central government are important but need to be interpreted into the local context and should not dictate or override local priorities for community wellbeing.

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	are important but need to be better coordinated with local priorities.	<p>It can sometimes be the case that local government is directed to deliver on central priorities, not always with the requisite funding (unfunded mandate) or where much needed funding is available but with specific parameters as to its application. This can mean that locally agreed high priorities are not being actioned in favour of priorities either mandated by central government, or encouraged through funding availability.</p> <p>The question arises that if the same amount of resourcing was committed to our District, but without predefined agenda or parameters, what would be the most pressing and best use of that resource to promote wellbeing for the local community?</p> <p>The priorities of central and local government need to be coordinated better. We need to agree on the priorities, investment framework and leverage each other's strengths to deliver on those priorities collectively.</p>
4. Authentic relationship with Iwi, hapū and maori		
4.1.	The Whakatāne District has a unique Iwi and Māori landscape that is different from other parts of Aotearoa New Zealand. The solutions offered by the review need to be flexible to this diversity.	<p>There are seven Iwi whose whenua (in entirety or part) lies within the Whakatāne District boundary. These are Ngāti Awa, Ngāi Tūhoe, Ngāti Manawa, Ngāti Whare, Ngāti Rangitahi, Ngāti Mākinu and Tūwharetoa ki Kawerau. According to the latest census, approximately 47% of the Whakatane District population identify as Māori. Each Iwi has their own aspirations and priorities, and they are of varying size, durations of post- settlement, and relative levels of capacity. We recognise that this compares to some local government entities that may share relationships with only one or two Iwi. Any new framework needs to be able to accommodate this diversity and therefore may need to consider not being too prescriptive.</p>
4.2.	We are supportive of the intention to build stronger more authentic relationships with Iwi, Hapū and Māori. Strengthening this partnership is an ongoing high priority for Council.	<p>Council is supportive of the intentions set out in the review to build stronger, more authentic relationships with Iwi, Hapū and Māori and to embody the intentions and principles of Te Tiriti.</p> <p>The intention to strengthen the partnership between the Whakatāne District Council and local Iwi, Hapū and Māori is one of Council's key priorities. This priority is set out in our Long-Term Plan and is supported by a dedicated programme of work. We acknowledge we are a short way into this journey and that our partnership is an ongoing long-term commitment.</p>
4.3.	A clear and supportive foundational framework is needed to support the commitment to, and practice of co-governance. The Iwi-local government relationship needs to be deliberately considered within the broader co-governance ecosystem.	<p>The Council acknowledges that the theory of co-governance is evolving quickly. We are generally supportive of the changes being considered to make the shift while noting that these are currently high-level intentions only, with little detail as to how the intentions may be delivered upon.</p> <p>The Council considers that there needs to be a clear and supportive foundational framework to underpin the Iwi-local government relationship. A formalised relationship should identify the respective status, roles, and obligations of local government with Iwi and Iwi with local government.</p> <p>We note that there are also responsibilities and opportunities for Iwi within other reforms (three waters and resource management for example). The co-governance opportunities for the Iwi-local government relationship needs to be deliberately considered with connection to this broader co-governance framework to avoid duplication, inefficiency, and the creation of new siloes.</p>

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		The system should also provide the flexibility for local relationships and co-governance arrangements to evolve as required for more specific local matters and projects.
4.4.	Iwi must be enabled to identify the role they wish to play in local governance. Time and flexibility is needed to allow Council and Iwi to evolve co-governance together and in a way that works locally.	<p>Iwi must be enabled to identify the role they wish to play in local governance and delivery of services and activities. These aspirations will vary across each Iwi and may also change over time. Flexibility will be needed to allow co-governance to continue to evolve over time and therefore solutions should not be too rigid or prescriptive.</p> <p>The steps that we have been taking as a Council – ranging from the introduction of maori wards, information forums, through to project co-design, and co-governance suggests it will take time, resource, and genuine commitment to find what works.</p>
4.5.	We need to provide resource for Iwi to participate - Iwi are expected to participate but not resourced for this purpose.	The increasing obligations and role that Iwi have in local governance needs to be resourced. While local and central Government entities are resourced through public funding Iwi entities are not, yet there is a high expectation on Iwi to participate. It is inappropriate that Iwi settlement resources or personal resources should be applied for this purpose, as can be the current practice. The Council suggests a system be put in place for resourcing Iwi to participate in local and central governance and that this should be provided through central rather than local revenue sources.
4.6.	The wider community need to be taken on the co-governance journey too. What is good for Iwi and Māori is good for all of us.	The theory of co-governance is rapidly evolving at this time. Within government circles we tend to be better informed and share the awareness that what is good for Iwi, Hapu and Māori has spill over benefits that are good for the well-being of everyone. As has already been expressed in this submission, in many respects the fundamental objectives for local government are well aligned. We are conscious that the community understanding of co-governance may not be evolving at the same pace and that effort and education is needed to support the general community on this journey too.
5. Genuine partnership between central and local government <u>including more equitable funding</u>		
5.1.	Our relationship with Central Government is inconsistent and imbalanced. The relationship needs to be reset built on mutual respect, trust and confidence.	<p>Council considers that a strong relationship between various levels of government, built on mutual respect, trust and confidence, is critical to the enhancement of wellbeing for our communities and nation. There are some examples of very effective and impactful partnership between local and central government and we recognise there is much to be gained by this relationship working well. We do feel the relationship is generally inconsistent and imbalanced.</p> <p>For some matters the relationship is very structured and deliberate although typically siloed to specific matters or with specific ministries and aligned to Central Government’s priorities. In other cases the relationship is more organic and ad hoc based on specific political connections and/or priorities of the day. We also feel the relationship is generally imbalanced with local government approached as an agent of the crown and with little genuine opportunity to shape central policy that will ultimately influence/impact our District, communities and Council organisation.</p> <p>The Council considers that the ‘whole of system’ relationship needs to be considered and reset. This should be approached with mutual respect and look</p>

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		<p>to retain what we do well (at various levels of government) while addressing and removing systems barriers to better outcomes for our communities.</p> <p>We require a partnership framework and systems that provide consistency and certainty over time (notably across successive political terms), that provides for a broader, more flexible, shared commitment to a range of wellbeing priorities, and provides for local government to 'influence up' more effectively.</p>
5.2.	<p>We should take learnings from partnerships between central and local government that are very effective and making a huge difference – the Provincial Growth Partnership and Waka Kotahi system are good examples.</p>	<p>The partnership between central and local government can be very effective in progressing local services, projects and infrastructure, and greatly impacting local wellbeing. The Waka Kotahi model is an established ongoing system-based solution that has trust and works well, while the Provincial Growth Fund is a good example of agreed partnership and co-investment on specific local priorities.</p> <p>The established partnership arrangement between Council and Waka Kotahi is an ongoing long-term funding model that works well for us. This system has trust, provides long-term certainty, and contributes significantly towards meeting the transportation needs and aspirations for our District that would otherwise be unaffordable.</p> <p>The Provincial Growth Fund has allowed the regions to have access to previously unavailable resources to further their economic aspirations – which can only be meaningfully progressed locally. The partnership approach towards the development of Te Rāhui Herenga Waka - Whakatāne Commercial Boat Harbour is an example where central government has directly invested in local infrastructure through agreement with Council, Iwi and Hapū on local aspirations. Again, this very significant project would not have been possible without central government partnering and shows what can be achieved when partners come together mutually and respectfully with a common commitment to the objective.</p> <p>On the other hand, we are at times provided with funding opportunities that, while much needed, don't work well for us. Specific characteristics that can be unhelpful include the short-term basis, intensive application and reporting conditions, and limited parameters that are aligned foremost to the central government priorities, rather than local needs and aspirations. We don't want to keep coming cap-in-hand to central government in this way.</p> <p>Lessons should be taken from the approaches that have shown to work well towards designing a new ongoing system of partnership between local and central government.</p>
5.3.	<p>As well as the philosophical reset of the local-central government partnership, specific systems need to be redesigned to support implementation of a stronger and more genuine partnership.</p>	<p>The reset of the local-central relationship needs a new formalised foundation, one that genuinely and more solidly establishes the strategic local-central partnership and the commitment from central government to local wellbeing. Earlier in this submission we discuss that the foundation for local government – including the interrelationship with central government and Iwi – needs a higher level of formal recognition.</p> <p>Beyond this foundation, a redesign of systems and structures is needed for planning and funding, and for more deliberate engagement between these strategic partners (i.e. including also iwi, but noting that in this section of the review we focus on the local and central government part of that partnership).</p>

Ref	Summarised comment	Discussion
		<p>These mechanisms should aim to provide more deliberate connections between local and central government and provide more consistency and certainty to how the relationship works. They need to provide a platform that brings strategic partners together on a more even playing field, while retaining our respective roles, and also providing for appropriate accountability.</p> <p>Upon reflection of our current systems, we consider the relationship could be oriented around a new planning framework, more effective funding and financing arrangements, and more deliberate and coordinated engagement between local and central government to allow for influence in both directions (local to central, and central to local). These points are further discussed in sections 2.4 and 5.4-5.7 of this submission)</p> <p>The real point made here is that the design of the day-to-day systems and structures - and the obligations built into those - will be critical to enabling the local-central partnership to have greater impact for our communities.</p>
5.4.	<p>We need a new planning framework to provide for an empowered and integrated public service - one that supports a collaborative approach to setting priorities, funding and delivery on local wellbeing priorities.</p>	<p>A (new) local planning framework to replace the existing 'Long Term Plan' should be explored to provide the platform for shared agreement on, and investment into, wellbeing priorities of local communities.</p> <p>A new local planning framework would provide for Central government, local government, and Iwi to co-create and integrate plans to deliver agreed wellbeing outcomes. Local plans would continue to use local insights and local engagement to establish and deliver on local priorities needs and aspirations, while also having a role in agreeing commitments towards national level priorities. There are possibly lessons that could be taken from the community outcomes framework that was in place prior to the 2010 and 2012 amendments that required a more inclusive community co-design approach to the development of community outcomes. What worked well and what didn't work well – what trajectory did this set local government on?</p> <p>The local planning framework would also provide the basis for confirming local funding agreements between local government and central government (including helping to avoid unfunded mandates). We discuss later in this submission a more equitable and effective funding framework with greater central funding provided to support agreed local outcomes.</p> <p>Local plan reviews and investment agreements could be renewed on a 4-5 year basis correlating with/dependent on an extended local government term with the plans while local plans would have a longer term horizon.</p>
5.5.	<p>The Whakatāne District faces a number of funding and financing challenges – existing funding tools are very limited and entrench geographies of disadvantage.</p>	<p>A number of funding and financing reviews have been conducted over recent years. Perhaps the most recent and comprehensive being undertaken by the Productivity Commission in 2019. The Future for Local Government Review is encouraged to consider those findings if it has not done so already.</p> <p>Through these reviews we have articulated the funding and financing challenges facing local government in the Whakatāne District. These include large parts of our District that are unrateable; we have a large District to service with a small rate payer base. Population density is low (e.g. average population density is 8 people per km² compared to typically 1000 per km² in the larger metros) and our District has elevated levels of wealth disparity.</p>

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		<p>The limited revenue tools available to Council means that over time we have been required to continuously increase costs to communities through annual rates increases higher than inflation, and triple our external debt over the past 10 years. This funding pressure also means we are hamstrung on how responsive we can be to the wellbeing needs and aspirations of our communities. Clearly this is neither sustainable nor effective.</p> <p>There is a high level of fiscal centralisation in New Zealand’s system of government with 92% of public funds in New Zealand controlled by central government compared to 8% at the local level.</p> <p>To resource local wellbeing using the current funding model is too limited and entrenches geographies of disadvantage. E.g. the current funding model essentially requires local communities to self-fund uplift in wellbeing. The existing local funding levers need to be supplemented by central funding tools to overcome this. This NZ Inc approach to funding recognises a collective ownership of wellbeing across Aotearoa New Zealand, one that seeks to benefit the quality of life of all communities, and uplift those communities that most need it.</p>
5.6.	<p>To have greater impact on wellbeing, we need a better range of funding tools – ideally centralised revenue collection with localised spend.</p>	<p>Ideally, we would seek a system that retains centralised revenue collection (e.g. central government taxation) but with a greater portion of this coming back to local government.</p> <p>We would suggest drawing the good points from the Waka Kotahi model including consideration of communities’ ability to pay, longer-term certainty, and local decision-making autonomy - but allowing for co-investment into a broader range of agreed local wellbeing priorities (agreed through a new local planning framework).</p> <p>We would also welcome exploration of a greater range of local revenue tools (like tourism taxation, and return of a share of local GST for example). We would request that any consideration of ‘local’ funding tools do not simply leverage new costs back onto the communities that face funding challenges like ours. Consideration must also be given to the administrative requirements of various options.</p>
5.7.	<p>The partnership and funding system needs to retain local decision-making autonomy and accountability.</p>	<p>There is a careful balance that needs to be struck between local decision-making autonomy and the revenue and financing system. While the current funding system is increasingly unsustainable, we are conscious that local control supports local autonomy. This is not to say that councils have total freedom to determine their expenditure priorities. Central government sets numerous requirements on local government which commits and limits councils’ discretion in expenditure decisions. However, there is otherwise a high level of discretion limited largely by local affordability and willingness to pay.</p> <p>We are conscious that any local government system supported by greater central revenue collection could risk local decision-making autonomy and discretion, whereby greater funding conditions are imposed by central government that seek to advance a central agenda over a local one.</p> <p>We are in favour of greater centralised revenue opportunities, but the system must be developed in a way that safeguards local autonomy and allows for <u>local and central</u> priorities to be progressed. Reinforcement of local autonomy would</p>

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		naturally also support local accountability – this could also be further embedded through review of Council’s existing reporting framework rather than creating a further layer to administer.