

ANALYSIS OF FFLG REPORT RECOMMENDATIONS

What LGNZ recommended versus what the Panel recommends

- 10 out of 17 of the Panel’s final recommendations match the recommendations that LGNZ made in its submission on the draft report.
- 19 out of 23 of LGNZ’s recommendations are adopted in the Panel’s final report.

The Panel’s final recommendations	LGNZ’s recommendations in our submission on the draft report
Recommendations we agree on	
1. Entrench the purpose of local government, as set out in the Local Government Act 2002, to embed intergenerational wellbeing and local democracy at the heart of local government.	14. Entrench the Local Government Act 2002 so that substantive changes to local government must attract a higher threshold of parliamentary support. This would include changes to local government’s purpose, roles, functions or structure.
2. Introduce statutory provisions to reinforce and give effect to the purpose of local government in the Local Government Act 2002, by: <ul style="list-style-type: none"> ▸ councils setting wellbeing goals and priorities each term, in conjunction with community and hapū/iwi and Māori ▸ central and local government committing to align wellbeing priorities and agree place-based investment plans. 	5. Introduce a requirement for local government, iwi and communities to develop local place plans that agree on local wellbeing priorities.
4. Introduce a statutory requirement for councils to develop partnership frameworks with hapū/iwi and Māori to give effect to new Te Tiriti	Similar to recommendation 11 of LGNZ’s submission:

<p>provisions in the Local Government Act 2002 that create new governance arrangements and complement existing ones.</p>	<p>11. Recommend the development of a cultural competency framework for councils to guide and measure progress in areas like increasing understanding of Te Tiriti, the practice of tikanga, kawa and te ao Māori values, and the use of te reo. This framework should apply to both elected members and council staff.</p>
<p>5. Central government leads a comprehensive review of requirements for engaging with Māori across legislation that impacts local government, considering opportunities to streamline or align those requirements.</p>	<p>10. Review all statutes pertaining to local government’s obligations under Te Tiriti o Waitangi to develop a clear and consistent legislative framework that directs councils how to give effect to the principles of Te Tiriti.</p>
<p>6. Amend the Local Government Act 2002 to require councils (elected members and chief executives) to prioritise and invest in developing and strengthening their capability and capacity in the areas of Te Tiriti o Waitangi, te ao Māori values, mātauranga Māori, tikanga, and the whakapapa of local government in order to make local government a better Te Tiriti partner.</p>	<p>Similar to recommendation 11 of LGNZ’s submission:</p> <p>11. Recommend the development of a cultural competency framework for councils to guide and measure progress in areas like increasing understanding of Te Tiriti, the practice of tikanga, kawa and te ao Māori values, and the use of te reo. This framework should apply to both elected members and council staff.</p>
<p>9. Establish a new local government stewardship institution to strengthen the health and fitness of the system. This entity should:</p> <ul style="list-style-type: none"> ▸ provide care for and oversight of the local government system, including the health of local democracy and local government’s future-fit capability and capacity ▸ foster common purpose and relationships ▸ support and enable the health of the Māori–local government relationship 	<p>12. Establish a Local Government Centre of Excellence that promotes good practice and innovation across local government. In the interim, to support transition, LGNZ and Taituarā should be funded to undertake relevant aspects of this role, recognising our current work in support of local government to address stewardship gaps and advance the Panel’s recommendations.</p> <p>13. Develop a broader and bolder definition of system stewardship that moves beyond the status quo to completely redefine what is needed to</p>

<ul style="list-style-type: none"> ▶ incorporate the current roles and responsibilities of the Local Government Commission. 	<p>support and enable the system of local government to realise its vision for the future.</p>
<p>10. Local government and councils develop and invest in democratic innovations, including participatory and deliberative democracy processes.</p>	<p>LGNZ supported the use of participatory and deliberative democracy tools in our submission but didn't make any specific recommendation about this.</p>
<p>11. Enhance local democracy in order to increase access and representation by:</p> <ul style="list-style-type: none"> ▶ providing for a 4-year local electoral term ▶ adopting ranked voting (also known as single transferrable vote or STV) as nationwide method for local elections ▶ lowering the threshold for the establishment of Māori wards ▶ enabling Te Tiriti-based appointments to councils ▶ lowering the voting age for local elections to 16. 	<p>23. Implement a four-year local electoral term.</p> <p>LGNZ didn't make any specific recommendations about the remaining points in our submission.</p>
<p>13. In order to prioritise and deliver on wellbeing, central government makes a greater investment in local government through:</p> <ul style="list-style-type: none"> ▶ an annual transfer of revenue equivalent to GST charged on rates ▶ significant funding to support local priorities, place-based agreements, and devolution of roles. 	<p>6. Adopt a revenue-sharing model under which local government receives an automatic share of national taxation. This could be in the form of an annual general grant, based on each district or region's population, need and unique circumstance.</p>
<p>16. Cabinet is required to consider the funding impact on local government of proposed policy decisions.</p>	<p>9. Recommend that central government expands its regulatory impact assessments to include the impacts on local government and makes funding provisions to reflect those impacts (in order to end unfunded mandates).</p>

<p>There's no specific recommendation about city/regional deals, but the Panel endorses the use of place-based agreements (including city or regional deals) in the final report (p. 43) and suggests their negotiation could be led by the new Crown department supporting the central-local government relationship (recommendation 8).</p>	<p>1. Introduce a legislative or regulatory mechanism for establishing city or regional deals, which allows departments to effectively transfer services and funding to those councils or regions that show they can deliver the service more effectively.</p>
<p>There's no specific recommendation about an MoU, but the Panel recommends a new Crown department to facilitate a more effective central-local government relationship (recommendation 8).</p>	<p>2. Sign a memorandum of understanding between central and local government after each general election to set out values, priorities, communication protocols and commitments to work together on specific initiatives.</p>
<p>The Panel recommends that changes to roles and functions are made once decisions about the future structure and operating model of councils are made (p. 49).</p>	<p>3. Make specific recommendations about which roles and functions could be reallocated from central government to local government, along with the structural change and funding model needed to deliver on them.</p>
<p>Regional Public Service Commissioners are not mentioned in the final report. The Panel recommends a statutory provision in the LGA that central and local government commit to aligning wellbeing priorities and agree place-based investment plans (recommendation 2).</p>	<p>4. Promote and further explore the potential for councils to work with regional public service commissioners (RPSCs) as a mechanism for aligning local wellbeing outcomes with central and local government investment.</p>
<p>The Panel recommends an annual transfer of revenue equivalent to GST charged on rates from central government to local government (recommendation 13), and one of five principles to guide the allocation of this funding being 'equitable distribution' (p. 58).</p>	<p>7. Introduce an equalisation scheme to ensure that councils representing low socio-economic communities can provide comparable services to councils representing wealthier communities.</p>

<p>The Panel notes a greater range of financing options are also needed, and suggests a ratepayer financing scheme as one option (p. 61).</p>	<p>8. Support the adoption of the Ratepayer Funding Scheme, which uses rates postponements to create additional borrowing capacity and give councils access to a range of flexible funding options.</p>
<p>Constitutional status is addressed through the recommendation to entrench the purpose of local government in the Local Government Act 2002 (recommendation 1).</p>	<p>15. Include local government in the Constitutional Act 1986 to strengthen its constitutional status.</p>
<p>The Panel recommends reviewing remuneration (p.90) as a part of the reorganisation of local government (recommendation 7).</p>	<p>18. Review elected member remuneration to recognise this role’s increasing complexity and encourage a more diverse range of people to stand.</p>
<p>The Panel recommends reviewing remuneration and benefits such as Kiwisaver (p.90) as a part of the reorganisation of local government (recommendation 7).</p>	<p>19. Remove the proscription against elected members receiving support for superannuation and/or KiwiSaver.</p>
<ul style="list-style-type: none"> a. The Panel recommends local government develops and invests in participatory and deliberative democracy (recommendation 10) b. The Panel recommends redesigning the LTP process to make it less prescriptive and the consultation processes are more meaningful (p. 110) c. The Panel recommends that the new local government stewardship institution (recommendation 9) could provide guidance on codes of conduct and resolution services (p. 93) 	<p>21. Review the Local Government Act 2002 by the end of 2025 so that it:</p> <ul style="list-style-type: none"> a. Enables more direct and deliberative forms of democratic participation such as citizens assemblies and participatory budgeting; b. Replaces the Long Term Plan with a more dynamic and strategic planning framework that allows communities to develop local wellbeing priorities and reflects the changes made through other reform programmes; and c. Strengthens and streamlines Code of Conduct accountability mechanisms and sanctions to provide a safer environment for members.

Recommendations the Panel made that LGNZ didn't
3. Introduce new provisions in the Local Government Act 2002 that explicitly recognise local government as a partner to Te Tiriti o Waitangi and te ao Māori values to strengthen authentic relationships in the local exercise of kāwanatanga and rangatiratanga.
7. Initiate a reorganisation of local government to strengthen, support, and resource councils to plan for and respond to increasing challenges and opportunities, and to set local government up for a more complex future.
8. Establish a dedicated Crown department to facilitate a more effective working relationship between local and central government that focuses on: <ul style="list-style-type: none"> ▶ a relational-based operating model to align priorities, roles, and funding ▶ brokering place-based approaches and agreements to address complex challenges and opportunities ▶ research, development, and innovation capability that equips local government to maximise intergenerational wellbeing for its communities.
12. Local and central government coinvest to build adaptive leadership capability focusing on: <ul style="list-style-type: none"> ▶ leading change and system renewal ▶ valuing civic leadership and public service ▶ partnership and collaboration ▶ innovation and experimentation.
14. Central government pays rates on Crown property
15. Central government develops an intergenerational fund for climate change, with the application of the fund requiring appropriate regional and local decision-making.
17. Central government commits to enabling the future transition with funding to: <ul style="list-style-type: none"> ▶ resource a transition unit to support the change and system renewal of local government ▶ supplement local government capacity funding to enable hapū/iwi and Māori to partner with councils ▶ support councils to: <ul style="list-style-type: none"> ▶ build Te Tiriti and te ao Māori capability and grow hapū/iwi and Māori relationships

- ▶ lift their immediate capacity and capability to innovatively deliver wellbeing priorities for their communities
- ▶ trial and grow participatory and deliberative democracy practices.

Recommendations LGNZ made that the Panel didn't

16. Create a stronger requirement in the Local Government Act 2002 that councils enable, promote and support local and neighbourhood networks, including community boards and residents' associations.

17. Set out how to give neighbourhood governance a greater role in the future structure of local government.

20. Change the immediate loss of remuneration when elected members no longer have a seat.

21. Develop an engaging, participatory civics curriculum or education initiative with suggested steps for implementation.