

## LOCAL GOVERNMENT NEW ZEALAND (LGNZ) CONFERENCE – WELLINGTON 21-23 AUGUST 2024

I attended Conference for the full time along with our Chief Executive Kevin Ross and Councillors Fi, Simon and Piki. I thank Councillors for their interest in understanding Local Government and their willingness to sit through three days of intense position-taking by Government and a variety of Ministers. It was a pleasure to spend time with them in Wellington.

LGNZ is the body that most Councils belong to and pay fees to, to represent and advocate for us to Government. They are our lobbying body, providing training and advice. For the Rangitikei this membership comes at a cost of \$46,000 per year. Not all Councils are members and recently our two largest Councils Auckland and Christchurch have withdrawn their membership along with a couple of other Councils. Thus in excess of half the total population of New Zealand is not represented.

Our Council and I have always believed that membership is important to Local Government to have a combined voice and that membership also provides us with a direct funding of, in excess of, \$300,000 for employment through the Mayor's Taskforce for Jobs (MTFJ).

This year in going to Conference I was interested to see certain discussions within the sector and Government. In doing this report I will separate my views by using *italics*, and "quotation marks" in relation to the speaker of a session at Conference. I was particularly interested in -

1. **Membership** - whether Conference would either have an explanation for Christchurch and Auckland's withdrawal or if LGNZ would be questioned around its performance.

*Neither happened. When a group loses half its membership and accompanying fees I would have expected at the least a performance appraisal process or questioning from the membership. It would have been useful if the Councils withdrawing explicitly gave their reasoning so that it could have been addressed or discussed. Until that happens LGNZ will continue to be held in poor regard in terms of value by Government.*

2. **Maori Wards** – in the run-up to this Conference, Government through the Coalition with the ACT Party has put in place a Referendum for Maori Wards for those Councils voting to continue with them. Public interest is high and there were a number of remits at the Conference in support of Maori Wards. I was interested to see what discussion/support and decision on the remits was.

*The support of Maori Wards from Councils was evident by the positive 83.5% support from Councils to saying no to a Referendum on Local Government constituencies/wards. Although the entrenchment remit for Maori Wards (meaning a 75% majority would be required to alter them) narrowly failed. Virtually every speaker (excluding the National Government) spoke in support of the Maori voice and need for consultation.*

3. **Three Waters** – a huge number of presentations were about the formation/affordability of regional CCOs in delivering Three Waters services (provision of drinking water, waste-water management and stormwater) as well as the lessons learned from Australia and Europe in regard to aggregation.

*One of the very real benefits of the Conference was this discussion between Mayors/Councillors across the sector. The Government was also very direct in advocating for Three Waters reforms driven by the membership. I will give my opinion further in relation to each individual speaker.*

4. I was interested in the Government and opposition's views and their addresses. This is the cornerstone of the Local Government Conference.

*I will again comment against each of the speakers as part of the report but at this stage I would say that the Prime Minister's speech was a political stunt with his report pre-released to press and designed to be a leading television script.*

The LGNZ Conference was held at Takina, the new Wellington Conference Centre opposite Te Papa. Kim Hill, a veteran New Zealand broadcaster was the MC, well known to most of us through her morning report. Kim is incredibly searching in her interviews, well known for her depth and at times scathing in her challenging of those interviewed. In retrospect a great choice - she held speakers to account and her gestures at time spoke volumes.

## **DAY 1 - THE SPEAKERS AND MY IMPRESSIONS**

### **1. The remits at the AGM**

- a) The Representation Review remit - passed with 100% support.
- b) The Use of Community Services Card for Identification – passed 98.35%.
- c) The No to the Referendum on Local Government Constituencies - passed at 83.5%.
- d) The Entrenchment of Maori Wards – lost against 50.65% with 8.7% abstaining. *Interesting to note there was only one speaker against the motion but signalled a commonly held view of support for Maori Wards but was against the principles of entrenchment.*
- e) The Graduated Drivers Licence - passed 83%.
- f) The Proactive Levers to Mitigate Deteriorating and Unoccupied Buildings – passed 90.2%.
- g) Appropriate Funding Models for Local Government – passed 97%.
- h) GST Revenue Sharing with Local Government – passed 100%.

### **2. The Welcome to Wellington by Mayor Tory Whanau and Regional Chari Daran Ponter**

- i) Mayor Tory –
  - Welcomed us to Wellington and the new Takina Centre
  - Noted that Conference brings \$1m to the city
  - Councils should decide for themselves on how we handle Maori Wards (*to large applause*)
  - Spoke on the powers of localism
- ii) Daran Ponter–
  - Added to the welcome
  - Finished touching on the success of rail funding as a regional deal – Wellington to Palmerston North and Wellington to Wairarapa
  -
- iii) Sam Broughton – LGNZ President's Address -
  - New Zealand needs a strong Local Government
  - Need for a true partnership with Central Government
  - Spoke about the lessons learned from his European tour. *Later in the conference there were video Q&A's from his tour and meetings with leaders throughout Europe, the most pertinent ones were Scotland and Ireland.*
- iv) Christopher Luxon – Prime Minister
  - Said he was only given 10 minutes to speak so would be direct
  - Thanked LGNZ for the chance to talk

- Thanked Mayors for their commitment plus Councillors
- Thanked Simeon Brown for his leadership in Local Government
- Talked about the infrastructural challenges facing Councils and Government
- Government has assisted with the relaxation of the LGFA lending limits.
- Traffic management needs to be challenged.
- **He then became aggressive** - "Ratepayers expect Local Government to do the basics well and do not expect to pay for other things".
- "\$180m for this centre (Takina) should have been spent elsewhere". *He was highlighting Wellington's water woes.*
- Councils asking for money – "there is no money tree".
- Criticised the last Government heavily
- "We do want to work closely with Councils but the days of free handouts are over".
- Cabinet has agreed to –
  - a) Abolish the four wellbeings
  - b) Set in place new performance measures
  - c) Scrutinise Councils' balance sheets
  - d) Transparency – ratepayers and Councillors expect to access information held by Councils and Council staff. *The Prime Minister firmly believes that Council staff are withholding information regularly from decision-makers.*

The Prime Minister's messages were clear to stop excess spending and the need to challenge staff budgets line by line.

*My views –*

- *Absolutely Central Government and Local Government should be a partnership.*
- *The Prime Minister set out to be on the front page politically of media and was prepared to be confronting and rude.*
- *The Prime Minister signalled he was only given 10 minutes – to me this is nonsense as other speakers got at least 30 minutes – he could have had whatever time he wanted.*
- *We all recognise that funding is tight but the Government has thrown out the reviews of Local Government funding work without even discussing it. (This also brings into discussion the whole area of unfunded mandates where Local Government is asked to do more, which is clearly illustrated by data, with no additional funds).*
- *As a sector comparison, Local Government -vs- Central Government I note –*
  - *That Local Government is held to account, they have 10 Year Long Term Plans with a 30-50 year strategic review.*
  - *Central Government operates on an annual budget and the 3 year electoral cycle with little long term planning across generations.*
- *Councils' spends (such as for Wellington Takina Centre) should not be judged purely on a cost/revenue basis. We have a role to play in making our towns/cities a place to live in. The provision of swimming pools, libraries, playgrounds and conference facilities brings people/growth and regional prosperity. This is the argument for the 4 Wellbeings, which have been approved, dumped, re-approved and now dumped again by respective Governments. With the withdrawal of the 4 Wellbeings (Social, Cultural, Educational and Economic) does that mean we close our libraries, swimming pools, playgrounds etc?*
- *We all know in Local Government we need to be held to scrutiny around funding and efficiency, but we are challenged by rising costs, some of which are imposed by Government, new levels of Government compliance/standards such as Three Waters, Earthquake legislation and other matters.*

- *Probably the Prime Minister's message is correct – we need challenging but it could have been recognised within the environment we operate in.*
- *It may have been a courtesy for the Prime Minister to acknowledge the environment that Councils have operated in recently under Covid and Cyclone Gabrielle.*

### **3. The President of LGNZ, Sam Broughton's response to the Prime Minister**

- We need to work as regions/sub-regions and push for regional CCOs.
- He ran videos of meetings in Europe which talked essentially how localism drives economies.
- Finally, Sam reflected on his and Chief Executive Susan's tour of Councils throughout the country and the common messages that they heard around funding such as "give us the GST on rates back" etc. *I presume Sam had an advanced copy of the Prime Minister's speech as his response was absolutely on point as he stressed localism and suggested the Prime Minister could have acknowledged the Local Government sector more strongly.*

### **4. Community Board Address - Sarah Lucas**

- Cited that some people she had spoken to had resigned from Councils and joined Community Boards because "that's where the work gets done".
- "We bring vision to life and we are smashing it!"
- At the next representation review the discussion should not be "should we have Community Boards?", it should be "what more can we do?". *This is a fair question, other than they have the power to name street names by recommendation back to Council, they have little power and budgets. Elsewhere in the country they can decide on footpath budgets, roading priorities and other things. We as a Council should look at whatever other things can be passed on. You only gain experience after having been given trust.*

### **5. Sponsors Address by Chorus - Anna Mitchell**

- Recognition that they are the principal sponsor
- We build and maintain connections across the country
- We provide fibre to 87% of the population
- The economic benefit to the country if the 650,000 rural people (13% of the population) got fibre would be measured in the millions.

### **6. Key Note Address – John Allen – CE of Wellington**

- Responded to the criticism of the Prime Minister by saying "cities need to be vibrant, attractive places to attract and retain people"
- Takina is part of that.
- Councils need to have forward-looking agendas which are about education, arts, creativity and bio-diversity amongst other things.
- Accepts that we have to be efficient and gain cost savings.
- He finished with a great line – "what happens to a dream deferred?". Fascinating address – absolutely vibrant passionate speaker as a leader of Wellington.

### **7. Iwi**

- Mihi to Councils supporting Maori Wards
- We have the funding and we want to be part of the discussions.

## DAY 2

### 8. Breakfast meeting Mayor's Taskforce for Jobs

- Mayor Max from Otorohanga on his decision to resign as Chair.
- Max thanked staff and the Core Group for their support.
- Next section was an address by Minister Lupton (Social Welfare), her points were –
  - Congratulations, your MTFJ results have been spectacular.
  - We will fund you \$9m next year and will work on future funding.
  - There may be other funded things that you can help with.
  - Driver Licensing costs should remain with families. *This driver licensing costs point was a result of questions I asked in Q&A of the Minister.*

### 9. Simeon Brown – The Minister of many ministries including Local Government, Infrastructure and comments from me - “a huge powerbroker in Wellington”

- Central and Local Government need to focus on core products, cycleways will get no more funding.
- He talked on the provision of independent advice to Councils and Council staff – *suggestion here that Governments may make appointees to Councils??*
- Light rail will not be funded.
- The era of the money tree in Wellington is over. *Here he is supporting his boss, i.e. the Prime Minister.*
- Three Waters to remain in local control and in nine months National has provided a solution with the partnership with LGFA giving financing up to 500% of income by way of loan.
- Councils need to have direct conversations with Taumata Arowai and the DIA with respect to Three Waters.
- Councils have agreed to the framework for regional deals with these aims including –
  - The need to generate economic growth
  - To improve housing
  - To deliver needed infrastructure
  - ?? *There were 4 things and I missed one, sorry.*
- Selected regions will receive a Letter of Intent which then leads into a negotiated process.
- Later this year 5 regions in the first deal to be finalised by 2025. *(Noting our region has a visit by Minister Jones and others in September which may be seen as a positive sign).*
- Government will only focus on districts who use ratepayer money responsibly. *This is another crack at Councils like Wellington.*

### 10. Chief Executive of LGNZ - Susan Freeman-Greene

- Thanked Sam and the Board
- Thanked the guest speakers
- Thanked the membership
- Cited two quotes – the first “the need for localism” this was a quote made in 1945 and the second “revenue from rates will be inadequate...” – a quote made in 1958.
- Talked on the joint Council visits with Sam and said “we have data on where we need to be with regard to infrastructure and Councillors are investing heavily”.
- “We need to use the advocacy power of LGNZ and to get that we need all Councils to be together in LGNZ to utilise this power”.
- LGNZ is 75 of 78 Councils *(Susan makes no mention or survey as to why other Councils such as Auckland or Christchurch are out).*
- Stats stay that 70% of people think that Councils are performing above average or better.
- There is huge support for localism.

- Susan then introduced Oliver Hartwich who talked briefly about bringing localism to life, noting -
  - Right now Local Government and Central Government are not on the same page.
  - That Councils are under growth pressure in 78% of the areas of New Zealand.
  - 63% of Councils are saying that funding is inadequate.

*We have been told a guide will be sent to Councils on localism and how we implement it with 17 practical options.*

*Sadly, the leadership says little about the work plan and the things we need to work on. I was disappointed in the lack of direction.*

#### **11. Young Elected Members (Elected Members under the age of 40) Presentation by Co-chairs Alex Crackett and Pohan O’Neill**

- The average age of Elected Members is 65
- Youth are the leaders of today
- We are here to work alongside you and learn
- Young people want to see Te Tiriti upheld at all levels of Government
- Question what you can learn from us!
- We are not your resident IT site.
- Councils need to make decisions which are relevant to our mokopuna i.e. future generations. *One of my favourite presentations/guest speaker spots throughout the conference – they were incredibly dynamic, challenging and confident, fantastic presentation.*

#### **12. Minister Shane Jones**

##### The \$1.2b fund must

- Be used quickly - *referring to the need to have consenting in place.*
- Specifically mentioned co-funding requirements.
- Acknowledged that Crown book financials are poor.
- Fund must be used to increase the GDP.
- The first \$100m allocation has been promised to weather-related challenges and will not be in the form of debt.
- The assistance we can provide is not just about money – we can provide legal/authoritative support.
- If we are going to say no to a proposal we say it quickly – this is in response to a request from Nick Smith.
- The three main ministers are – Minister Jones, Minister Bishop and Finance Minister Nicola Willis with input from Minister Potaka. *Post-conference I understand the latest from Government indicates a panel will be used, not just three ministers effectively signing off.*

##### Fast Track Legislation

- “In my view it is needed”
- “Trade offs are needed”. *What he is saying here is that the urgency of approval may well result in some negative environmental effect elsewhere – this is the trade off position.*
- The essence of the Fast Track process is to group consents into one process.
- Legislation to enable Fast Tracking is still before Government.
- “In New Zealand we overstate the risks and understate the costs”

### Regional Deals

- Make the pitch sooner rather than later
- If your intention is to align it with the Regional Infrastructure Fund move it forward quickly. *Both are references I think to the fund being small compared to the \$3b Provincial Growth Fund and the fact it will be fully allocated quickly.*
- From Q&A – there is very little of the \$3b PGF left.
- He noted that the rules of New Zealand mean that power companies profit from scarcity of supply.

### **13. Richard de Cani Presentation**

- A planning background in London over 16 years
- Talked about regional deals in the UK
- Towns/cities need to be designed with temperature, water systems, health, wellbeing and digital connections in mind.
- City regional deals must unlock economic growth (*similar view to Shane Jones and our Government*).
- Must be locally led.
- England's Town Fund – this is where each town is required to form a Board which is chaired by the private sector.
- There needs to be clear economic analysis for today and the future.

### **14. Craig Stobo**

- Part of a panel as Chair of LGFA
- We will lend to support Three Waters.
- Challenge will be how you work together – *implication here is a push for regional CCOs?*
- The finance barrier has changed.
- Local Government needs to be more creative around how you tackle funding with a reference to private partnerships and user charges.
- Craig warned directors of their responsibilities such as trading while insolvent.
- Ultimately at the moment the debt goes back to the parent company's balance sheet. *The 'at the moment' comment infers that the position may change by Government legislation.*
- In answering a question, LGFA gets its money by issuing bonds. Many of those bonds are brought by retirement funds for example, New Zealand and offshore.

### **15. Nicole Coughlin – Cary, United States**

- 1970 Cary's population was 7,686
- 2024 population was 200,000
- Presentation focussed on harvesting the internet which is essentially communication between IT systems - an example of this for instance could be having SMART water meters directly giving responses to billing rather than the need for manual reading and to the control of water/stormwater systems. *Fascinating and interesting presentation and probably the way of the future but at the moment probably a little bit city-centric.*

### **16. Sally Loudon - Forging Relationships**

- Sally is the former CE of the Convention of Scottish Local Authorities and she was talking on the relationships between Government and Local Government and any other external partners.
- We took a long time to get to know each other as people, to understand the aspirations and expectations.

- The base position should be local by default and national by agreement. This is a decision making process.
- The decision made closest to the people is the best decision. This is not a legal position but a public statement in Scotland.

#### **17. Justin Tapa – Chair of Ngāi Tahu talking on how Councils and Iwi can work together**

- We have \$2b in assets in Ngāi Tahu
- Localism means that local control doesn't just rest with Local Government, it means Iwi.
- Iwi should have control in their own area
- Ngāi Tahu supports city and regional deals but it also needs to look at deals between the Crown and Iwi.
- Iwi are funded and ready to address many issues

#### **18. Chris Bishop – Minister of Housing, RMA**

- First session on RMA reform –
  - RMA reform is fundamental for all Government reforms
  - We have as a Government 20 different commitments to make it easier to get things done.
  - There is a hugely positive reaction from the population to the fast track processes
  - We are taking the RMA back to basics
  - Wants the RMA reform to be done this year but also making sure that any changes happening now will align with the new system
  - At the moment we are working on -
    - Infrastructure/Energy – electrifying New Zealand is important, cars/factories should be powered by solar/wind. We are making cell-towers a permissive consultive activity
    - We are working on lowering costs and timeframes for consents
    - Quarries will be easier to consent
    - Looking at simplifying to get designation
- Second session on Housing
  - Freeing up land for development
  - There will be housing growth targets
  - There will be new rules to allow for towns to expand
  - We will allow mixed types of housing
  - There will be a number of policy reforms which include the National Advisory Standard for Granny Flats, Papakainga housing will be made easier and we are promising changes in the heritage sector as to how we manage heritage
- Third session on Agriculture
  - There will be packages around the agriculture/environmental sector still to come
  - There will be changes to National Standards Class 1 and Class 2 soils to enable solar.
  - There will be new National Standards for Hazards.



## DAY 3 – LAST DAY

### 19. Electoral Reform Panel Discussion headed by Nick Smith

- Voter turnout in Local Government is low and dropping e.g. Tauranga at 31% - the question is does Local Government now have a mandate?
- By comparison Central Government election participation is high and stable
- Older voters vote the most but the percentage is dropping
- Younger voter percentage is rising
- The opinion is that online voting will not work because of security not being guaranteed, people believe in conspiracy theories and it is difficult to scrutinise results.
- The panel favours a 4 year term starting in two terms' time.
- Panel is not in favour of synching local elections with Government elections
- Tauranga Mayor and Councillors have been given a 4 year term to align with the rest of the country. *It will be interesting to see how that works.*

### 20. The case for structural change in Local Government – Presentation by Sarah Bradeley Partner in Martin Jenkins

- Doing nothing is not an option
- One size does not fit all
- Most Councils (80%) are looking at changes – *the reference here is really Councils are looking at regional CCOs seriously.*
- The reasons driving changes are –
  - o Rate increases are very high
  - o Challenges of Three Waters
  - o Social cohesion/trust in the sector is not strong
  - o Range of scale sizes in Councils is huge - 75% of the population is managed by 5 Councils – one of those, Auckland, is over 1.7m.
- There are a range of options available in terms of structural change. These are –
  - o CCOs
  - o SPVs
  - o Trusts/Partnerships
  - o Joint Committees and Shared Services
  - o Iwi and Hapu are wanting to partner
  - o In terms of this discussion there are 4 dimensions to be considered –
    - How representative are we as an organisation?
    - Scale of delivery – which of our functions can be scaled up and which can't?
    - Financial sustainability - are we getting good advice with regard to that and are cross-subsidies understood?
    - Strategic capacity – do we understand our capacity including staff at a Council level and could this be increased with a partnership with Iwi?
- This presentation was followed by a panel discussion including Anita Baker - Porirua Mayor, Peter Nunn - NZ Infrastructure Manager, Jonathan Salter – Simpson Grierson and Bayden Barber – Chair of Ngāti Kahungunu. The points being –
  - Infrastructure breakdown started in the 1970's and we are halfway through the fix. *Is the message here don't panic?? I am seeing the roading infrastructure start to break down now! Structural change is inevitable with Three Waters changes – this will lead to many amalgamations of service e.g. roading contracts, consenting and how the RMA is handled.*
  - Iwi have a willingness to contribute and have resources and knowledge

- If you have a debt you must have an income stream. *For us this income stream is an increase in housing, industry and entrepreneurship. I also note that we may well be challenged in the future in the rural sector with the possibility of capital values decreasing. It could be argued that farms are over-valued when measured against production base.*

## **21. The Dublin Citizens Assembly**

- Citizens Assembly is where 100 people are in workshops over 6 weekends to solve problems.
- Census is used to get representation of the population against age, region, occupation, health, race etc.
- Citizens Assembly does not replace Council – it sits in support.
- You get 100 people together, provide them with all of the information and ask them to solve the problem by way of making recommendations.
- Then there is a decision phase where authority makes the decision and if it is against the recommendation they must explain why. *Very interesting presentation and it worked incredibly well for Dublin.*

## **22. The Opposition – Chris Hipkins**

- He thanks the Local Government sector and says “we need a respectful partnership with Government” and notes the current Prime Minister doesn’t get that.
- Praised the need for localism
- Argued for Takina saying that the Prime Minister’s speech was purely political and apportioning blame.
- He told the story of what Labour did when it was in power in terms of housing, education etc.
- “Current Government has walked away from the review of Local Government – we want that conversation”.
- “The rating base only as a funding mechanism is insufficient”.
- “We pledge no unfunded mandates”.
- He then introduced Kieran McAnulty to take part in the conversation with Kim Hill. *Question - is Kieran here at the table a message because he is the future of the party?*

## **23. Simon Watts – Climate Change Panel Discussion lead by Jamie Cleine Buller Mayor**

- We have a Reference Group including insurers working in this space who will report to the Select Committee
- New Zealand is a high risk country and we must illustrate that we are moving to risk mitigation
- There is global best practice/expert advice flowing into the Reference Group

## **24. Digby Hall Presentation**

- Climate risk is already being programmed into policies/costs for each area in Australia
- CO<sub>2</sub> content and temperature rise are effectively one in the same
- Resilience means 3 things –
  - Mitigation (an example here is electrification and clean energy)
  - Adaptation (how we deal with temperature rise and sea level rise by way of stopping CO<sub>2</sub> emissions, restoring nature by planting trees and protecting ocean health – oceans drawn down CO<sub>2</sub>)
  - Disaster preparedness (shelters and early warning systems).
- He says there are practical things we should consider –
  - Making designs beautiful - projects must include planting

- Use leverage/cash reserves directed to climate mitigation
- Use other options noting that in Australia now 65% of the energy comes from solar or wind
- Legislation – in the building code in Australia new builds must be capable of connecting directly to solar even if there are no panels in place now.

#### **CLOSING COMMENTS**

1. A lot of information was presented at the Conference in a short space of time – my notes could contain errors and if so I apologise.
2. Feel free to contact me if you want further information or clarification.
3. This conference represented very direct intervention and direction from Government which may be need in New Zealand but it is a significant shift from localism.
4. The Conference closed with an awards night and meal and appropriate thanks

#### **Winstone Pulp Mill**

In my Mayor's Report written some time ago I made the comment I will engage with both the Mill and Government further. Just to update, that I have had conversations with the CE/Manager of the Mill and Mayor Weston and I are working together and looking to include any conversations to be reported with Minister Jones and the Government. I and Council understand the significance of the impact on, especially Taihape, and other people in the district who are engaged with the Mill or provide services to the Mill. I am attending a community meeting in Raetihi on 27 August with Councillors Wong and Duncan and we will update on social media and through Council comms around any consideration made by Government.

Andy Watson - Mayor