



Local government reform – or not?

The Local Government Commission is currently managing several large scale proposals, with hearings proceeding for Northland, Hawkes Bay and Wellington. From personal involvement by way of a submission to the former, and awareness of the debate in the Hawkes Bay and Wellington, it would be a brave person to bet on any reform of any consequence in each of these areas

My biggest concern with the current proposals is the lack of a strategic framework for the reform of local government across New Zealand. This is not the fault of the Local Government Commission. They are doing a good job, but without a clear mandate as to what the government wants to achieve from reform.

In the late 1980s, under the political leadership of Dr Michael Bassett, this country undertook an almost revolutionary reform of local government. The reforms were undertaken in close association with major changes to environment legislation, which ultimately led to the Resource Management Act 1991. The reforms used the principles of clear accountability and separation of roles. The Local Government Act 1987 reduced the number of local and regional units of government from more than 625 to 94.

The reforms included the creation of 13 regional councils, whose geographical boundaries were based on natural river catchments, and 74 territorial authorities. There were also 154 community boards created to act primarily as community advocates for councils with either large populations or significant geographical scale.

The key to the reforms were clear principles and an overall framework to deliver on desired outcomes.

In 2012 the current government introduced an eight point reform programme for local government. This was within the context of the government's broader programme for building a more productive, competitive economy and better public services. A number of initiatives have been enacted, while others are currently before the Parliament.

Many of the changes to the legislation, either enacted or proposed, are helpful to the delivery of local government services. Some will have, including changes to development contributions, large impacts on a number of council balance sheets. An important piece of the Local Government Commission's toolkit, the power to propose Local Boards for Unitary Councils, remains



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to be enacted.

Local Boards were created for the establishment of the Auckland Council. They were created as ‘equal but different’ from the council body. Only time will tell whether this status

applies to the 21 Local Boards in Auckland but the legislation at least provides for the opportunity.

Until the Local Board provisions are enacted for local government outside Auckland, the local Government Commission's work is likely to be stymied. If larger unitary councils are to be created, and there is often good rationale for their establishment, then local communities must have a governance capability of managing local issues.

Likewise, and not even foreshadowed in the legislation, the Local Government Commission has no powers to propose or establish an Independent Maori Statutory Board, as seen in Auckland. It is unlikely that Iwi will accept local government reform in their role without some meaningful governance role, whether by special wards or a Statutory Board. The current legislation, which allows a council to entertain a Committee of Council for Maori issues, does not ‘cut the mustard’ in modern New Zealand.

But the issue remains. What are we trying to achieve with any reform of local government? Is it good enough for the local Government Commission

to ‘respond’ to any proposal that may come along? Are we seeking to achieve Unitary Councils throughout New Zealand, or a mix of Unitary, Territorial and Regional Councils?

And are we to largely leave alone the key activities of local government that, in my opinion, would likely derive major economic value for the country if reformed on functional lines? (I refer specifically to the delivery of roading/transport by local government, and water/wastewater provision. New Zealand doesn't need every council to deliver roading or water/wastewater delivery.) The aggregation and/or corporatisation of these functions would create large efficiency and effectiveness gains, but maybe this is too politically unpalatable.

So what is the government strategy for the reform of local government? It is difficult to see and could end in tears. I hope I am wrong.

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