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# Do We Underestimate the Political Strength of New Zealand's Local Government?

The decision to put the Local Government Act 2002 Amendment Bill (No 2) on hold in September 2016 demonstrates clearly the strength that local government has as a unified political voice within our democracy. Early parliamentary support for deliberation on this proposed amendment has now been withdrawn in the face of a strong and determined response from local councils and those who represent them. And while an impending general election year may have tempered the National-led government's resolve here, one can only wonder what local government could achieve if it worked together as a united political force more often.

Instead, the debate tends to focus on issues related to the political relationship between local and central government, especially around the autonomy of local government in the face of central government's fixation on continually forcing through legislative change, ongoing funding inequities faced by many local councils despite new funding tools having been developed (although not implemented) (see Cheyne, 2016, pp.176-89), and central government's continued reluctance to work in partnership with local government on solutions to current policy concerns.

In fact, the Local Government Act 2002 Amendment Bill (No 2) is a clear demonstration of the very low ebb in the tidal relationship between central and local government in New Zealand at this time, a low not witnessed since 1989 when central government beefed up the role of the Local Government Commission<sup>1</sup> in order to substantially restructure (and reduce the number of) local councils in the face of considerable opposition. In a similar vein, the 2016 amendment

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promotes the Local Government Commission as the protagonist for further changes to local government, this time to reorganise local government services (such as water, transport and economic development) across local authority boundaries into joint council-controlled organisations. This proposal would, in essence, force councils to work together through regulation rather than choice when in reality they already do this.

Major concerns about the purpose of this bill were initially raised in Parliament, with opposition parties suggesting that it was a clear representation of the

would have a damaging impact on the quality of our local democracy by diminishing the scope of elected members' decision-making, reducing the ability of councils to take a holistic approach to the development of their communities and eroding the important constitutional distinction between our two spheres of government.

Further, councils attending the Local Government New Zealand conference in July 2016 supported a remit that vigorously opposed

have on the democratic nature of local government.

But let's be real. This central/local government relationship has rarely been an easy one. Despite local government's best efforts to work with central government, history records a political environment in which central government has 'largely shunned local government as the poor relation or the incompetent younger sibling' which it cannot always control and 'so ridicules, reforms and dismisses' (Drage, 2011, p.11). The command-and-control bureaucratic model practised in the post-earthquakes environment in Canterbury (see Hayward, 2012) has always been the 'go to' position of our centre-right governments, a position recently reinforced through the sacking of the Environment Canterbury councillors in 2010 (and the failure to restore full democracy to this regional council despite earlier promises), and the reigning in of local government through legislative amendments that changed its purpose and introduced more central government oversight of local councils.

The irony is that the current focus on promoting collaborative relationships within and across communities (a key focus of this bill) is not practised by those promoting it, despite evidence that it can work. The first decade of the 21st century was a time of significant collaboration between these two levels of government. The empowerment focus of the new Local Government Act enacted in 2002 was a first step here, particularly with a limited power of general competence which enabled local councils to do what they wanted within a legal framework and signalled a degree of power sharing. Another step at the time was the Central/Local Government Forum, chaired by the prime minister, which met twice a year to work on common issues and develop a relationship that acknowledged local government's contribution and the increasing dependence that central government has on local government to achieve policy outcomes. And across local authorities there is a wealth of examples of councils that have worked collaboratively over many years on joint planning, strategy and service provision.

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National Party's negative attitude to local government. Labour's Phil Twyford claimed that it was yet another example of 'the very vexed history of policy that this government has had in regard to local government'; the Green Party MP Eugenie Sage pointed out that the bill showed a lack of trust in local government as it continued 'the centralisation of executive power at the expense of local democracy and at the expense of the public having a say in decisions that affect them'; and New Zealand First MP Ron Mark suggested it was 'just another underhand, dirty way of trying to force through the corporatisation of local government'.<sup>2</sup> But this parliamentary response paled in significance in the face of the strength of opposition that came from local councils, who suggested it cut to the heart of local democracy and the role of local government in New Zealand. In its submission to the Local Government and Environment Committee, Local Government New Zealand<sup>3</sup> summed up the majority of the 244 submissions on this amendment, suggesting that the bill in its current form

any measure in the Bill that directly or indirectly removes the requirement for community consultation, demonstrable community support and direct local authority involvement in reorganisation investigations and local decision-making of councils or their assets. (Local Government New Zealand, 2016)

This strong opposition has resulted in the bill now being deferred for what local government minister Peseta Sam Lotu-liga refers to as 'more rigorous analysis of submissions and more constructive dialogue with the local government sector' (Lotu-liga, 2016). Aside from the fact that he must be the seventh or eighth local government minister in the National-led administration in the past eight years (a job that appears to be passed along at a speed that has little regard for the government's relationship with local government), it can only be hoped that this process applies a more critical lens to the impact that this amendment will

So, while acknowledging the growing tendency of our current government to dismiss 'free and frank' advice, nevertheless the following is a little guidance for the policy analysts working in this area.

Let's start with the language used here, particularly the reference by the minister to the 'local government sector'. It must be said that local government is not a sector group. It is a legitimate, representative and accountable level of government in this country. To continue to bundle it into a sector group (like the farming or manufacturing sectors) completely undervalues the role that this level of government has within our democracy.

Next, a clear understanding of the role of local government within a democracy is greatly needed. We are all well aware of the local infrastructure provided by our elected councils, the local leadership, economic and community development<sup>4</sup> and the comprehensive strategic and financial planning and decision making done in consultation with communities. But local government is much more than a set of services. It is a legitimate form of local democracy within our communities where accountability for local decisions is provided through triennial elections and through opportunities for public participation in planning and decision making. Further, local government provides an important counterweight to central government. A responsible and

representative democracy needs a viable system of local government to ensure that power is spread within this democracy and this occurs through the process of devolving policy making and planning for a range of services to an autonomous and directly elected local government. As Colin Copus reminds us,

elected local government is not a quaint hangover from the past; it is a vital element of a functioning democracy in which central power is balanced with local autonomy and independence, and in which citizens can participate and control those aspects of local political life closest to their interests and concerns. (Copus, 2013, pp.404-5)

My third point, however, is the most important. A well-informed and critical analysis of just what our local councils do across this country coupled with comprehensive knowledge of the collaborative arrangements already in place is essential for all those in policy jobs. In reminding the Local Government and Environment Committee that local government is not an administrative arm of central government, Local Government New Zealand was spot on in saying that to 'have to state this shows a deep misunderstanding of the role of local government in the minds of the Government and its advisors' (Local Government New Zealand, 2016, p.9).

A great deal of energy is generally invested in getting central government on side, when in fact local councils (when they work together) have shown that they have the political strength to demand a more collaborative relationship with central government, perhaps even a clearly defined contract that requires both parties to work together regularly on common solutions to today's major issues.<sup>5</sup> I would encourage all those advising the current government to read the 244 submissions to the Local Government and Environment Committee on the proposed local government amendment to get a very clear picture of the great innovation and enterprise that is happening already within this country's communities.

The strength of opposition to the latest proposed amendment to local government legislation has shown us clearly that local government's time has come. Let's work towards ensuring central government gets this message.

## References

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- 1 The Local Government Commission is a central government quango appointed by the minister of local government to make decisions on the structure of local government and electoral arrangements for local councils.
- 2 See Local Government Act 2002 Amendment Bill (No 2) first reading, [https://www.parliament.nz/en/pb/hansard-debates/rhr/combined/HansDeb\\_20160615\\_20160615\\_28](https://www.parliament.nz/en/pb/hansard-debates/rhr/combined/HansDeb_20160615_20160615_28).
- 3 Local Government New Zealand is the national organisation of local authorities in New Zealand.
- 4 While the four well-beings were removed from the Local Government Act 2002 in 2014, councils continue to spend substantial levels of funding on economic and community development.
- 5 See Reid (2010) for a comprehensive discussion on inter-government agreements.