New Zealand’s shift away from the ‘Third Way’: An analysis of the 2010 and 2012 Amendments to the Local Government Act

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Outline

- The New Zealand Third Way context
- The 2002 Local Government Act (LGA)
  - Case study: Ohiwa Harbour Strategy
- 2010 and 2012 Amendments to the LGA
  - Case study: Social housing
- Conclusion
What is the ‘Third Way’?

“In most forms it involves a *general acceptance of the market* and of globalized capitalism, qualified by a communitarian emphasis on *social duty* and the *reciprocal nature of rights and responsibilities*”

(Heywood, 2015, p. 220).
The New Zealand Third Way

- Unique constellation of Third Way values
- Fifth Labour-led government (1999-2008)
- Social inclusion and subsidiarity
- Regional development and community consultation for buy-in
- Humanising neoliberalism
- Neo-liberal values of steering rather than intervention
Local Government

- Central Government
  - Ministries, Departments, Crown entities

- Local Government - 2 tiers
  - Regional Councils (11)
  - Territorial Authorities (67)
    - City councils
    - District councils
The Local Government Act 2002

Changed the purpose and focus of local government:

- Development of the four well-beings - social, economic, environmental and cultural
- New mechanisms for public/community consultation
- Greater emphasis on the Treaty of Waitangi and increase in engagement with Māori/iwi (tribes)
Case Study: Ohiwa Harbour Strategy 2008

Image source: https://www.google.co.nz/maps
Reflected consultation with wider community
- Adopted a ‘communicative approach’ to provide for ‘community input’
- Engagement with regional local Māori/iwi through intense consultation, and developing plans, protocols and methods driven by Māori/iwi
- Very costly and time intensive process, and not all were fully satisfied...BUT
- decision-making process created outcomes driven by the community, reflecting partnership
“Better Local Government”

- Reforms aimed at improving legislative framework for NZ's 78 councils
- Part of Government’s broader agenda
  - Reduce public spending and debt
  - Build a more productive and competitive economy
Reforms to LGA included:

- Fiscal responsibility requirements
- Renewed focus on local infrastructure and services: Roading, rubbish and rates
- Removal of four well-beings from the purpose of the LGA: social, economic, environmental and cultural
- Alteration of some consultation practices and processes
Local Government Act 2002 - new purpose for councils:

(a) to enable democratic local decision-making and action by, and on behalf of, communities; and

(b) to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.
Case study: Social Housing - Hamilton City and Whakatane District Councils

62 Councils owned 13,400 housing stock units in 2013

89.5% of dwellings 1 bedroom or studio units

Majority of Councils have stock built 1951-1977, or 2007 and later

95% of Council housing stock targeted older people or older people with some other vulnerable group
Case study: Social Housing - Hamilton City and Whakatane District Councils

- Controversial HCC decision in November 2014 to sell its 344 pensioner housing units to social housing providers
- Units remain as social housing for 10 years
- Tenants able to stay in houses as long as they wish
- Proceeds of sale to repay council debt
- Sales process from mid 2015
Case Study: Whakatane District Council

- Social Housing Review by Council in 2014 regarding 79 pensioner housing units
- Formal feedback largely positive: 11 out of 17 submissions supporting proposal or neutral
- Council’s decision to sell all 79 dwellings to a Community Housing Provider
- Ownership transferred to Tawanui Community Housing in October 2015

Image source: http://www.whakatane.govt.nz/social-housing-review
Concluding thoughts

New Zealand has experienced a shift from the Third Way back to neo-liberalism:

- Return to a greater focus on economic efficiency and less focus on optimal social outcomes
- For local government - shift from four wellbeings to a focus on perceived core business and economic goals
- Councils have had differing responses to the LGA amendments
- Debate continues about the appropriate role of local government in their communities
Thank you

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References


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