

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

Gemma Piercy, Kate Mackness, Moana Rarere and Brendan Madley

1

The University of Waikato, Hamilton, NZ

Presented at The Australian Sociological Association Conference

Cairns, QLD, Australia

24 November 2015



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>

Ohiwa Harbour Strategy 2008

- 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

Better Local Government

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.

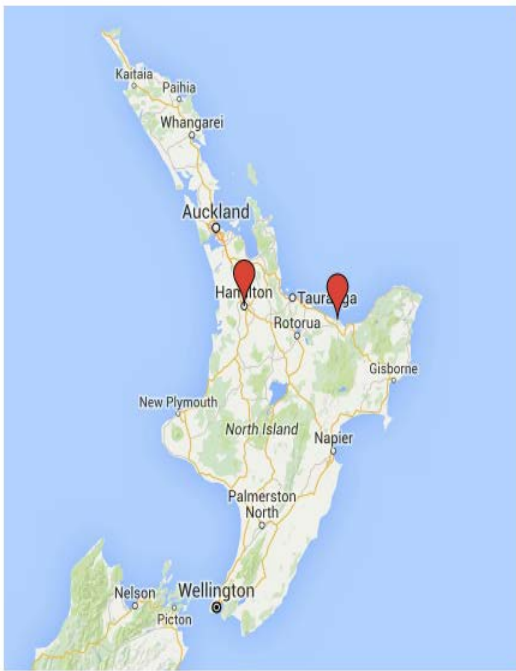
Case study: Social Housing - Hamilton City and Whakatane District Councils

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

Mourning 'death' of pensioner housing

Protest aimed at proposed housings sales

AARON LEAMAN

Last updated 05:00 31/10/2014

30 Share 207 Tweet G+1 Share



MARK TAYLOR/Fairfax NZ

PROTEST MARCH: Methodist minister Rev Dr Susan Thompson leading the protest at Garden Place.

Ads by Google

Free Maps & Directions www.mapsgallery.com

Download & Print Maps on the Go with MapsGallery: Free to Use!

A mock funeral procession - complete with a coffin and mourners - cut a solemn path through Hamilton's Garden Place yesterday in protest against a proposal to sell off the city's pensioner housing stock.

The midday demonstration swelled to about 300 people and those curious stopped to watch the hour-long event

Case Study: Whakatane District Council



Image source: <http://www.whakatane.govt.nz/social-housing-review>

- 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

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

Gemma Piercy: gemma@waikato.ac.nz

Kate Mackness: katemack@waikato.ac.nz

Moana Rarere: morarere@waikato.ac.nz

Brendan Madley: bjm65@students.waikato.ac.nz

University of Waikato

Hamilton, NZ

References

- Batters, T. (2010). *New Zealand industry training policy in the 2008-2010 environment*. Master's thesis, University of Waikato, Hamilton, New Zealand. Retrieved from <http://researchcommons.waikato.ac.nz/handle/10289/4955>.
- Bay of Plenty Regional Council. (2008). *Ohiwa Harbour Strategy (Policy publication 2008/06)*. Whakatane, New Zealand. Retrieved from <https://www.boprc.govt.nz/knowledge-centre/strategies/ohiwa-harbour-strategy/>.
- Chapman, J., & Duncan, G. (2007). Is there now a new 'New Zealand model'? *Public Management Review*, 9(1), 1–25. Retrieved from <http://doi.org/10.1080/14719030600853444>.
- Dalziel, P., Matunga, H., & Saunders, C. (2006). Cultural well-being & local government lessons from NZ. *Australasian Journal of Regional Studies*, 12 (3), 267-280.
- Eichbaum, C. (1999). The politics and economics of the third way. In S. Chatterjee, P. Conway, P. Dalziel, C. Eichbaum, P. Harris, B. Philpott, & R. Shaw, *The new politics: A third way for New Zealand* (pp. 33-62). Palmerston North, New Zealand: Dunmore Press Limited.
- Giddens, A. (2013). *Third way: The renewal of social democracy*. Oxford, Great Britain: John Wiley & Sons. Retrieved from Ebrary Reader: <http://www.ebrary.com>.
- Hamilton City Council. (2014). *Housing for older persons discussion paper*. Hamilton, NZ: Hamilton City Council. Retrieved from: www.hamilton.govt.nz/housingreview.
- Hamilton City Council. (2014). *Housing for older persons options paper*. Hamilton, NZ: Hamilton City Council. Retrieved from: www.hamilton.govt.nz/housingreview.
- Hamilton City Council. (2014). *Housing for older persons (pensioner housing) review: Statement of proposal*. Hamilton, NZ: Hamilton City Council. Retrieved from: www.hamilton.govt.nz/housingreview.

References

- Harris, P. (1999). Rogernomics, the Washington Consensus and New Zealand economic policy. In S. Chatterjee, P. Conway, P. Dalziel, C. Eichbaum, P. Harris, B. Philpott, & R. Shaw, *The new politics: A third way for New Zealand* (pp. 33-62). Palmerston North, New Zealand: Dunmore Press Limited.
- Heywood, A. (2015). *Key concepts in politics and international relations*. London, United Kingdom: Palgrave.
- Hill, R. (2009). *Māori and the State: Crown-Māori relations in New Zealand/Aotearoa, 1950-2000*. Wellington, New Zealand: Victoria University Press.
- Local Government Act 2002.
- Local Government Act 2002 Amendment Act 2010.
- Local Government Act 2002 Amendment Act 2012.
- Lowry, A. (2012). *Te toi poto, te toi roa: A critical evaluation of Māori-State inclusion in the Ohiwa Harbour Strategy, Aotearoa New Zealand*. Master's thesis, University of Waikato, Hamilton, New Zealand. Retrieved from <http://researchcommons.waikato.ac.nz/handle/10289/7040>.
- Kelsey, J. (2002). *At the Crossroads: Three Essays*(1st ed.). Wellington, New Zealand: Bridget Williams Books.
- Saville-Smith, Centre for Research, Evaluation and Social Assessment. (2014). *Local Government Housing Stock Profile: Prepared for Community Housing Aotearoa*. Retrieved from www.cresa.co.nz.
- Waitangi Tribunal. (2011). *Time to move beyond grievance in Treaty relationship* (Media Statement). Retrieved from <http://www.justice.govt.nz/tribunals/waitangi-tribunal/documents/generic-inquiries/flora-and-fauna/wai-262-media-statement>
- Whakatane District Council. (2014). *Social Housing Review: Issues and Options Report*. Whakatane, NZ: Whakatane District Council. Retrieved from: <http://www.whakatane.govt.nz/social-housing-review>.