

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>

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.

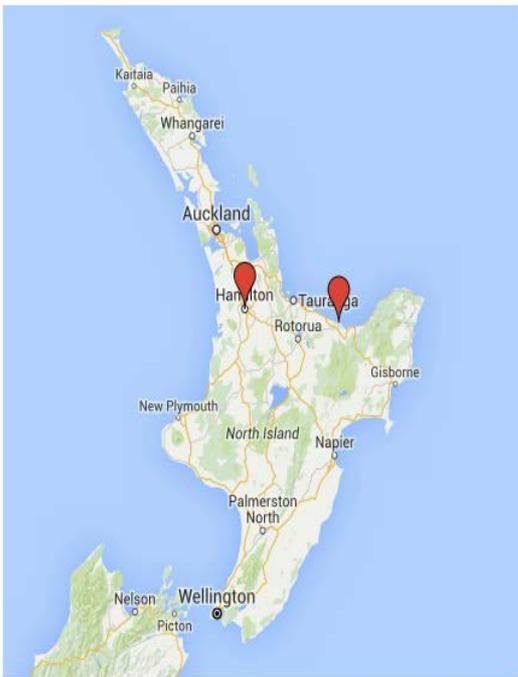
Case study: Social Housing - Hamilton City and Whakatane District Councils

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



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

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