

LOCAL GOVERNMENT NZ CONFERENCE

Christchurch Convention Centre, 27 July 2009, 3:30 – 3:50

ADDRESS BY HON PHIL GOFF, LEADER OF THE OPPOSITION

Lawrence Yule, President, Local Government NZ;

Mayors, Councillors, community leaders, Parliamentary colleagues, Brendon Burns and Phil Twyford;

Ladies and gentlemen.

Thank you for the invitation to speak to the Local Government NZ Conference.

This Conference comes at a time when major changes are under consideration for local government.

Parliament is currently considering submissions on the Local Government (Auckland Council) Bill, on changes to the governance of the Auckland region, with a report back to Parliament due in early September and the Bill to pass into law later in the month.

There are also plans to change the Local Government Act itself, outlined in a paper approved by Cabinet in April of this year.

Specific proposals will be made to Cabinet at the end of August, with the aim of introducing legislation later this year.

In both of these areas, the changes proposed will profoundly affect how local government works in this country.

On the first issue, Labour supports reform of Auckland governance. The last Labour Government set up the Royal Commission in October 2007 to examine and report on Auckland's governance arrangements. It did so in response to growing concerns about workability of local government arrangements in Auckland.

It was a serious exercise, with quality people – Peter Salmon, Margaret Bazley and David Shand – appointed to the Commission.

It was a thorough and consultative exercise. The Commission heard submissions, over 3500, and made recommendations many but not all of which Labour agreed with.

What was required following the report was a further exercise, working with Aucklanders and local government to seek broad agreement on a path forward.

That was promised in National's pre-election manifesto but not delivered.

Instead, after just 9 days, a decision was made by the Minister of Local Government and the Prime Minister on what would be put in place, without consultation, discussion or further analysis.

The first implementation Bill was rushed through Parliament under urgency without sending it to Select Committee.

A poll by Shape New Zealand last month showed the Government proposals had limited support. A majority in Manukau, Waitakere, North Shore, Rodney, Franklin and Papakura opposed them.

A series of polls showed an overwhelming number, around two thirds, of people felt consultation had been inadequate.

Around 70% believed there should be a referendum on the proposals, but of course the requirement under the Local Government Act to hold a ballot on significant proposals had been overturned by the first Bill which was passed without consultation or the chance for people or councils to make submissions.

Aucklanders finally did get to have a say, albeit after decisions had already been taken on the direction changes should take. Hearings on the Bill in Auckland were concluded last week.

The Select Committee received some 1537 submissions and heard 800 oral submissions.

The majority viewpoint expressed in the submissions is consistent with the position Labour has taken on the legislation.

Most people wanted, or at least accepted, the creation of a city covering the wider Auckland region.

But submitters' views did not follow the Government's proposals in a number of key areas. Most opposed having 8 of 20 Councillors to be elected at large, having 20-30 community boards with very limited roles giving the mayor strong executive powers and not having Maori seats.

Most submitters wanted ward-elected Councillors, because they see them as being more accountable, identifiable and accessible to those who elected them.

At-large elections were seen to favour celebrities and the wealthy.

A majority of submitters were wary of giving too much power to an Executive Mayor. Many opposed the Mayor appointing Committee chairs or the Deputy Mayor.

Almost every submitter wanted the local or second-tier Councils, a term preferred to Boards, to have far more power and a strong financial base. Submitters believed that the Local Councils' powers should be put in the Bill, as opposed to being delegated by the Super Council.

There were mixed views on how many local councils there should be, but a range of 10-20 Councils was preferred over the Government's proposed 20 – 30.

Justice Salmon spoke out publicly on this recently. He argued that 20-30 Local Boards would be too small to provide local services like roading and too small to engage effectively with the Auckland Council.

The Auckland Council would almost certainly become directly involved in local issues, to the detriment of important regional issues.

Twenty to thirty local councils would be more expensive, less effective and would involve far more disruption to set up. Labour's views are in accord with Pater Salmon in this area.

Maori representation divides opinion. In polling, views are split, with a small majority against. A majority of submitters however favoured elected Maori seats.

Such seats would parallel arrangements for electing central government representatives. They would hopefully not only provide Maori representation where there currently is very little but would also encourage greater Maori participation in local government.

There were mixed views on the northern and southern boundaries of the Super City Council. A clear majority, however, wanted water catchment and regional parks to stay within the boundaries of the new Auckland City.

One submission that went strongly in the opposite direction was that by Sir Roger Douglas. He wanted councils to compete with each other by giving ratepayers the choice to opt out of a council and join another one.

He wanted ratepayers also to have the right to opt out of services, like rubbish collection.

He favoured full user-pays and immediate privatisation of all ports.

He wanted to reduce the super council to eight councillors, elected at large, to act as a Board of Directors.

While it is absolutely legitimate for people to make such proposals, neither the Act formula nor the original proposals in the Bill from Government are supported by most Aucklanders.

The election and organisation of local government is a constitutional issue and I believe that it is important that changes made have substantial support and ownership by the Aucklanders who will fund and live under the new arrangements.

I hope the Government will now be ready to make the compromises necessary in the Bill that will allow a consensus around the changes which need to be made.

On the basis of the submissions to the Select Committee, Labour believes that the position it has taken on the Bill is close to where that consensus lies.

I also believe that the Prime Minister and Minister of Local Government should allow Aucklanders themselves to decide who they may wish to cast their votes for in the Super City mayoral election, rather than presuming to tell them what to do in that regard.

While the Super City legislation only indirectly affects what local governments in other parts of New Zealand may consider in terms of structural change, the Minister of Local Government's proposals to change the Local Government Act will affect every Council.

I have considerable concerns with the nature and direction of what the Minister is proposing.

Rodney Hide's vision for Local Government seems to be that its role should be considerably narrowed to certain services, its power to raise money and spend it should be considerably curtailed, and those who are elected to local government cannot be trusted to make decisions and be accountable to those who elected them.

I disagree with and reject each of these points.

Mr Hide wants strict fiscal limits on local government to restrict it predominantly to core services. These he broadly defines as transport (roading, footpaths, public transport), water (supply, sewage treatment, storm water and flood protection) and public health and safety issues (refuse, regulation of nuisances).

The presumption that core services do not include recreation, including things like libraries and swimming pools, culture and heritage, social services and the environment is frankly bizarre.

Imposing restrictions implies that central government knows better than local government about how to deal with issues and provide services locally, and that locally-elected people are incapable of making sound decisions on issues of local importance.

New Zealand does not have multiple layers of government as is the case in many other jurisdictions, like Australia and the United States. The Minister is setting out to solve a problem that he has not proved even exists.

Sure, there are a few examples of ill-considered and badly-executed ventures by local government but such examples can also be found in central government and in the private sector.

It is not a cause for imposing fundamental restrictions on what local government can do. The proposed restrictions belittle the ability of local constituencies to hold their local elected representatives to account.

There are double standards here reflected in the fact that at the same time the Minister released his Cabinet paper wanting to narrow your functions and for councils to gain prior consent from ratepayers for what you do, he and Mr Key announced funding commitments for Auckland ratepayers in regards to Queen's Wharf, and never consulted with Auckland's ratepayers!

The Minister seems to favour a rates cap, and promote restrictions on the ability of Councils to take actions unless specifically authorised by local ratepayers.

I was very surprised to see the Minister's Cabinet paper seeking mandatory requirements for Councils to ballot electors before proceeding with projects which are significant or irreversible.

In light of the Minister's decision to remove the right of Aucklanders to have a say by referendum over the Super City reform, the most constitutionally significant change ever made in Auckland, it again seems a case of double standards that he intends to insist on local Councils having to seek approval by referendum for much less significant actions.

I am all in favour of transparency and openness, and improving the quality of citizen engagement in local government, but the Minister's approach is at the very least heavy-handed and constrictive.

As the NZIER study commissioned by your organisation and released on 6 July showed, local government largely does a good job of providing local services at a reasonable cost, and councils are highly cost-conscious.

International experience with restrictions on local government revenue-raising shows that they fail to result in an optimal mix of local services and rates.

In fact, it shows that rates capping leads to core expenditure being cut to the bone. It creates backlogs in infrastructure development. It indicates that local circumstances are not well catered for and that it restricts local choices.

The Minister should focus on alternative options for improving the quality of planning, reporting and citizen engagement.

I know that there are a range of other issues that your Conference will be discussing.

With the loss of jobs currently estimated at between 2 – 3,000 a week, and people signing up to the dole at a rate of over 1300 a week, I know that unemployment is one of the social and economic issues which will be concerning you.

Can I acknowledge the role of the Mayoral Jobs Task Force and its contribution. I very much regret the loss of effective programmes like Enterprising Communities, cut in this year's Budget, was successful in delivering cost-effective training and job creation projects at a local level.

Projects under Enterprising Communities like the Otorohanga Apprenticeship Support Scheme, promoted by Mayor Dale Williams, were incredibly effective.

It enabled Otorohanga to substantially eliminate youth unemployment locally, and was attributed with a very positive effect in reducing local youth crime and anti-social behaviour.

Local Government can play a useful role in reducing offending. In my previous role as Minister of Justice I know that many Councils were effective in environmental planning to reduce the opportunity for and therefore incidence of crime in public places.

I am pleased to see that Judge Andrew Becroft will be addressing you on opportunities for local government to initiate and be involved in comprehensive measures to reduce youth offending. It's curious that this may be an example of Councils, in the Minister's mind, going outside their core services.

I wish you well for an informative and rewarding conference. Thank you for the work you do as elected representatives and officials on behalf of your communities.

I offer my best wishes for your work in the year ahead, albeit in uncertain times.

Thank you again for the opportunity for me to be with you today.