

SPEECH: Rodney Hide - NZ Society of Local Government Managers Annual Conference

Hon Rodney Hide, Minister of Local Government, 7 November 2011, Speech to New Zealand Society of Local Government Managers Annual Conference, Rotorua Events Centre, Rotorua.

President SoLGM, Clare Hadley, Vice Presidents Ross McLeod and Athol Stephens, Chief Executive Karen Thomas, other members of the SoLGM Executive Committee, ladies and gentlemen - thank you for the opportunity to speak to you this afternoon.

Before I begin, I would also like to acknowledge SoLGM's recently retired Chief Executive, David Smith, for his work over the past 13 years.

My term as Minister of Local Government ends shortly. I see I am leaving in good company, with David Smith and LGNZ's Eugene Bowen.

It is good to be here. Local government is the passion we all share, and it's great to have the opportunity to be with so many of the people who understand local government from the ground up and make local government work.

In this context, I want to acknowledge the valuable role SoLGM has in providing its members with professional development, networking opportunities, and events such as this annual conference.

I think this is especially topical right now. The Hamilton report has just reinforced the key role of the Chief Executive. It is important to think about what lessons can be learned to ensure that the chief executive/council relationship enhances council decision making.

You have asked me to reflect on my time as Minister of Local Government. Well, to hijack a rugby phrase, I'm a go-forward man - looking back doesn't come naturally to me! However, I feel absolutely privileged to have been Minister of Local Government. I have had the opportunity to meet and work with great people in local government the length and breadth of this wonderful country, from people highly positioned to those working well away from the public eye.

Sadly, I have also come, as you have, up close and personal with some of New Zealand's most serious events during the second half my term in office: the Pike River Mine disaster, the Christchurch earthquakes, and currently, the unfolding environmental disaster in the Bay of Plenty caused by the oil spill from the container ship Rena. These events have, and still are, affecting us all. They make huge ongoing calls on local government in particular. I commend your continuing responses, and the support those of you not directly involved are giving your colleagues who are. Thank you.

Local government touches the lives of everyone in New Zealand, and as we all know from experience, that responsibility carries both privileges and burdens. You are the people with the solid core of accumulated institutional knowledge and experience who advise councils, facilitate their wishes and keep the show on the road through electoral change. Your collective local knowledge is encyclopaedic.

A highlight for me has been the opportunity to meet some of you in your home ground, where I got to see up close the local issues that matter in your part of the country. That is the real strength of local government.

Paradoxically, strength can also be a weakness. As Auckland grew over the last fifty years into a major metropolitan area, the local focus of its seven local councils stayed on seven different sets of local priorities. The resulting fragmented decision making worked against the interests of the Auckland region as a whole.

That is why I undertook the big task of reorganising Auckland. We completed the largest restructuring - public or private - ever attempted in Australasia over the last 20 years. We did so at speed, on time and under budget with a minimum of fuss. Council officers worked hard and put in long hours for Auckland's future, even though many of them knew they were working themselves out of a job. They did it for Auckland.

The professionalism they showed was outstanding, and local government should be very proud of them and their work. I know I am.

The reform was always about good governance for Auckland - and we got it right.

For me Auckland was, and is, unique. While the Auckland governance reforms could have significant implications for local government as a whole, I don't believe in amalgamation for its own sake.

Looking ahead, I see benefits in shared services and councils working together on projects and plans for the wider regions of which their communities are a part. On that note, I particularly appreciate the work SoLGM does facilitating best practice around shared services and bringing about positive new local government initiatives.

I believe through shared services we can enjoy some of the potential benefits of amalgamation while keeping the local in local government and avoiding the risks of amalgamation.

One of the key mechanisms for supporting the effective implementation of the Auckland reforms and achieving good urban development outcomes for Auckland is spatial planning.

The spatial plan is an internationally recognised planning tool that is new to New Zealand. All the actors - the private sector, central government and communities - have to be engaged to negotiate and agree the strategic objectives.

We have a unique process underway now as Auckland works on the first spatial plan in New Zealand, which is going along better than I could ever have hoped, thanks to the Mayor, his council and council officers. Central government agencies are taking full advantage of the opportunity to at long last work closely with Auckland's political leadership in their own areas of responsibility.

This planning approach has advantages for both tiers of government, as it enables them to integrate their work. If central government and local government plans are not integrated there are difficulties in long term planning - as there are if central government plans don't exist!

I believe the process may offer benefits for other parts of the country in the future, providing opportunities for planning across existing local government boundaries and allowing the critical alignment with central government decision making that will enable us to unlock our full potential. It's about getting shared, mutually beneficial outcomes.

As Minister, I have always been keen to get costs down for ratepayers. I wanted to create a more efficient, effective, ratepayer-friendly form of local government through legislative reform, such as the amendments to the Local Government Act 2002 which went through late last year. While the changes made were positive, to me they still don't go far enough.

Although I still consider the Act too prescriptive, that pales in comparison to the tidal wave of legislation passed by government and the multitude of policies pursued which further burden local government operations. Time and time again principles of good governance are sacrificed for the particular policy objectives being pursued by Ministers and central government agencies.

Let me give you a controversial example.

The Government naturally and rightly wants to settle historical Treaty grievances. However, Treaty negotiators are now discussing co-governance and seats at the council table in lieu of cash and property. The purpose is not good local government but Treaty settlements.

The local government sector and I have found ourselves always on the wrong side of the Treaty settlement process, not because we were against the settlements as such, but because we were looking for good local governance.

And, of course, in the past local government and local communities weren't involved in the process until the deal was done, because rightly, Treaty settlements are the responsibility of central government, not local government.

We found it impossible to debate every proposed settlement on the basis of the principles of good governance. So we engaged Cabinet in a debate about what principles for local government should guide the Treaty settlement process. That was a whole lot easier. Having established the principles at Cabinet, we now have a good basis for the proper discussion of Treaty settlements as they affect local government.

I think the big challenge for local government now and for the future is establishing its proper place in the constitution of New Zealand. To me it's very clear. Local government is our second tier of government, properly constituted and democratically elected. But successive governments have not always treated it as such.

The review currently underway allows us to stand back and take a look at the whole system of local government as it picks up on the many concerns and issues you and others have raised with me when I have visited and met with you.

It's a big project for local government and for the country, and other hands than mine will guide it to its conclusion. I hope it has generated enough momentum to propel it through the next three years to a conclusion.

I have been motivated to undertake the review by knowing how hard it is in our parliamentary structure to provide proper constitutional protection for local government. Parliament is, after all, sovereign.

Nonetheless, I believe that the Government should sign up to a statement of principle to govern its relationship with local government after each and every election. The Government should be required to adhere to these principles unless there is good reason not to. Because otherwise, to be frank, councils will continue to be pushed around every which way.

I see these principles dealing with transparency about the cost of regulatory intervention, what level of government is most appropriate to make particular decisions, and the rare circumstances that make it appropriate for central government to constrain local government decision making.

Once we get the principles established, decision making becomes a whole lot easier. What we have achieved for the Treaty settlement process by way of good principle is what we should have for all policy.

I am pleased that the Local Electoral Amendment Bill has now been introduced into the House. The Bill makes provision, among other things, for city and district councils to

have increased flexibility to set ward boundaries. The changes are an important move to strengthen the overall integrity and efficiency of the local electoral system.

I know that you have long sought many of the changes, and I want to thank you for your input into the Bill. The aim is to have it enacted before September 2012 so the changes can be made in time for the 2013 local authority elections.

Given the appeal of on-line voting to the sector, I also think you will be interested to know that I have asked officials to consider options to trial online voting for local elections.

Once again, thank you for inviting me to speak. It has been a tremendous privilege to be Minister of Local Government. I can assure you that I'm continuing to make every day and every hour count. It is important to ensure that the work we have underway is completed in the years ahead.

Thank you.