

New Zealand

Self-rule

INSTITUTIONAL DEPTH AND POLICY SCOPE

New Zealand has one tier of intermediate governance, the *regions*, established in 1974. Territorial authorities, of which there are sixty-seven, are the lowest tier of government and do not meet the population criterion.¹ The territorial definition of the current regions broadly follows water catchment areas.

Subnational self-government is not mentioned in the Constitution Act (C 1986), and until the 1970s regional matters were dealt with by special-purpose bodies under direct state control.^a The first general purpose regional government—the Auckland regional authority—was created in 1963 (Law No. 18/1963), and this model was generalized in 1974 when twenty-two regions were created (Law No. 66/1974 and No. 84/2002). The number of regions was reduced to fourteen in 1989 and adjusted to eleven in 1992. This number includes five unitary authorities that combine local and regional authority: Auckland Council, Nelson City Council, and the Gisborne, Tasman, and Marlborough District Councils.² The policy portfolio of the regions relates primarily to economic policy and encompasses public transport, civil defense, and environmental policy, including air, land, and marine pollution, river and coastal management, and harbor navigation (Asquith 2008; Law No. 69/1991). Wellington has also responsibility for bulk water supply and both Auckland

¹ Some 15 percent of New Zealand's population identifies as Māori, but contrary to Canada, the US, or Panama, there is no constitutional system of indigenous territorial self-governance. Most Māori identify with one or more *iwi* (tribe or nation), which vary in size, from a few hundred members to over 100,000, and they can be members irrespective of whether or not they live in the tribal home land. *Iwi* have a separate governance system built around the *ruānang* (a governing council or trust board), which represents the *iwi* in consultations and negotiations with the New Zealand government, manages tribal assets, and organizes health, educational, and social services for its members. The majority of Māori do not live in tribal areas. The Māori population has had reserved seats in the unicameral legislature since 1867 (Law No. 47/1867). Prior to 1993, the number of reserved seats was fixed at four. Following an electoral reform in 1993 that resulted in the adoption of a mixed-member proportional system for the national legislature, Māori voters can now choose either to be on the general electoral roll or to vote for one of the Māori seats. The total number of Māori seats has been as high as seven. Māori *iwi* can also seek redress in special courts to have “unlawfully acquired land titles” returned (Law No. 4/1993). See also The Encyclopedia of New Zealand. Story: Te tango whenua—Māori land alienation. <<http://www.teara.govt.nz/en/te-tango-whenua-maori-land-alienation>>

² In contrast to unitary authorities in the United Kingdom which we exclude from our measurement we do include unitary authorities in New Zealand. A unitary authority in New Zealand is “a territorial authority that has the responsibilities, duties and powers of a regional council” (Law No. 84/2002 Art. 5) which represents consolidated government. A unitary authority in the United Kingdom is governed by a separate set of regulations and can be considered to be a specific and one-of-a-kind (within the UK) type of local government.

and Wellington are also responsible for regional parks (Commonwealth Local Government Forum 2016). Unitary authorities have responsibilities for the delivery of services in water, sewerage, libraries, parks, recreation, culture, and town planning (Law No. 84/2002).

In November 2010, the Auckland Council was created which merged the Auckland regional council, the Auckland city council, and six district councils (Law No. 13/2009; No. 32/2009; and No. 37/2010). The Auckland Council is a two-tier structure whereby the act allocates some competences to the upper tier and other competences to 21 local boards (Commonwealth Local Government Forum 2016).

We score Auckland as an asymmetrical region until 1989 and as a standard region through 2018. Wellington, by extension of a special provision regarding direct regional council elections, is also scored as an asymmetrical region until 1989 and as a standard region through 2018.³

FISCAL AUTONOMY

Regions finance their operations primarily from property taxes, for which they can set the base and rate within centrally determined limits. The general rate of the property tax may be set freely but must be uniform for all land within the region and the base for the rate must be determined by the annual value, the capital value, or the value of the land (Dollery 2006; Law No. 6/2002, Art. 13).

BORROWING AUTONOMY

The Local Government Loans Board, consisting of centrally appointed members, was established in 1957 to manage borrowing by local and, later, regional councils (Law No. 63/1956). An amendment to the local government act abolished the Board in 1996 (effectuated in 1998; Law No. 83/1996). Since 1998, regional councils may borrow without prior authorization by the central government in order to finance capital investments, for example in water and drainage systems. Regional councils are not allowed to borrow in foreign currencies and the central government is not liable for regional debts (Law No. 84/2002, Arts. 113 and 121). Regional councils must prepare a long term borrowing and investment plan and report to the central government on the strategies and policies in connection with the plans. Regional councils are also subject to regular external audit. In addition, the financial behavior of regional authorities, including borrowing, is closely scrutinized by the central government auditor-general, who has imposed extensive reporting requirements and who can conduct special investigations if grounds exist for suspecting wasteful expenditure or lack of due process (Dollery 2006).

REPRESENTATION

From 1974–1988 regions had indirectly elected regional councils consisting of representatives

³ The capital city of Wellington has no special status. Local property tax rates do not apply for land on which residences of the governor-general or the Parliament are situated (Law No. 84/2002). The city of Wellington receives contributions from the central government to compensate for the loss in revenue. Stephen Levine, 'Capital city - Wellington, capital city', Te Ara - the Encyclopedia of New Zealand. <<http://www.TeAra.govt.nz/en/capital-city/page-4>>

from the territorial authority councils. The exceptions were in Auckland (since 1963) and Wellington (since 1974), where councils and the executives responsible to them were all directly elected. Since 1989 all regions have moved to direct elections, with elections taking place every three years and the directly elected councils serving as both the assembly and executive (Asquith 2008; Law No. 35/2001, Arts. 10 and 19D).

Shared rule

There is no power sharing for regions.

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Self-rule in New Zealand

			Institutional depth	Policy scope	Fiscal autonomy	Borrowing autonomy	Representation		Self-rule
							Assembly	Executive	
Regions	I	1974-1988	2	1	2	1	2	9	
	I	1989-1997	2	1	2	2	2	10	
	I	1998-2018	2	1	2	2	2	11	
Auckland	I	1963-1988	2	1	2	1	2	10	
Wellington	I	1974-1988	2	1	2	1	2	10	

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