

Three Bad Choices, and One Reckless Deadline: A Look Behind the Council Curtain with Doug Hall

Opinion: The views expressed in this article are my own.

At times, this entire unitary council process feels as though someone in Wellington grabbed a crayon, wrote “unitary councils” on the back of a napkin, handed it to the Department of Internal Affairs and said: “Make it so.”

I’ve been present for hours of meetings, presentations and questions. We have received a spectacular amount of information, but information is not the same thing as a workable design.

Councils are being asked to consider abolishing themselves, yet we still do not have firm answers about who pays for the transition, how existing debt is treated, where regional responsibilities sit, or how communities retain meaningful representation.

The Government’s Head Start deadline is 9 August, with much of the detailed design expected afterwards. We’re setting the house alight before we’ve bought insurance!

This is not reform by design. It is reform by deadline.

It carries the same top-down smell as Three Waters. Central government announces a grand idea, councils scramble to make it workable, and ratepayers receive the bill. If the benefits fail to appear, local government becomes the convenient whipping boy.

The Otago Mayoral Forum examined three broad options. Waitaki has since indicated it wants to align with Canterbury, leaving Dunedin, Queenstown Lakes, Central Otago and Clutha as the starting lineup.

Each proposition has advantages, but none currently offers ratepayers a clear financial, democratic and practical win.

Option one: One council for Otago

The first option would combine Dunedin, Queenstown Lakes, Central Otago and Clutha with the Otago Regional Council’s responsibilities.

Its strongest argument is regional planning. Rivers, flooding, transport routes and infrastructure do not stop at district boundaries. One organisation could provide the clearest whole-of-catchment management, fewer plans and simpler accountability.

However, it would also place very different communities with very different needs under one governing body.

Queenstown faces rapid growth, tourism and huge visitor numbers. Dunedin’s economy is linked to education, healthcare, industry and urban infrastructure. Central Otago faces growth alongside rural land-use issues, while Clutha has a strong agricultural and manufacturing base.

The analysis warns that smaller communities may struggle to be heard in region-wide decisions. Amalgamation would also likely mean fewer wards, councillors and potentially community boards.

Efficiency matters, but democracy and identity should not be frog marched to the guillotine.

Option two: Inland and coastal councils

The second option would create two unitary councils.

Queenstown Lakes and Central Otago would form an inland authority, while Dunedin and Clutha would form a coastal authority.

This recognises the close relationship between Queenstown and Central Otago around housing, employment, growth and infrastructure. It also avoids forcing Queenstown and Dunedin into the same organisation.

However, rivers do not care whether we call a council inland or coastal.

This structure would divide upper and lower catchments and require ongoing coordination on freshwater, flooding, environmental limits, freight and regional planning.

The consultants therefore recommend a separate shared entity to deliver regional functions whenever more than one unitary authority exists.

That raises an obvious question: are we dismantling the Otago Regional Council only to create another organisation performing many of the same tasks?

If responsibility, decision-making and funding do not sit together, the report warns that accountability becomes blurred. We could replace a system people understand with one that is supposedly simpler but requires more red tape to work.

Option three: Dunedin, Queenstown and a rural council

The third option would keep Dunedin and Queenstown Lakes as separate unitary councils, while combining Central Otago and Clutha into a rural authority.

This recognises that Dunedin and Queenstown are distinct cities and gives rural Otago a stronger collective voice.

For Dunedin residents, this may sound like the least disruptive option. DCC would remain, although it would inherit regional functions within its boundaries.

However, it would also be the most fragmented structure.

Dunedin, Queenstown Lakes and the Central Otago-Clutha authority would still need to cooperate through a shared regional organisation. The report describes the original three-council approach as doing the poorest job of keeping whole river catchments under one authority, and requiring the most coordination.

Would combining Central Otago and Clutha create enough benefit to justify an entirely new authority?

Preserving local identity matters, but creating three councils plus a regional entity may not streamline matters.

Where are the promised savings?

None of the options produced savings that would be considered transformational or significant enough to justify amalgamation on financial grounds alone.

My estimates also excluded transition costs and public transport. Existing debt does not disappear because councils merge. Targeted rates may keep historic debts, assets and service levels attached to particular communities, but those decisions would sit with future councils.

We also do not yet know exactly what happens to Port Otago, council companies, airports, forests and other community-owned assets.

I’d like to make it clear that I am not opposed to reform. Sharing specialist staff, technology, procurement and back-office services could produce real benefits. Whole-of-catchment planning makes sense, and councils should cooperate more effectively.

But none of that justifies rushing into dismantling local democracy.

Before choosing a way forward, we need to know what problem(s) we are solving, what the transition will cost, who controls the money, who carries the risk and how local people retain a meaningful voice.

At present, we have three incomplete and deeply imperfect choices.

The Government may want a Head Start, but sprinting before we can walk is how ratepayers end up paying for another broken egg. Once that shell is cracked, it will be hard - if not impossible - to put Humpty back together again.

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