How many levels or tiers of government there should be, how should the functions of the state be allocated across these tiers, and what limits, if any, should be placed on the powers, roles and responsibilities of sub-national government? Such questions are amongst the most important constitutional matters facing nation states, whether democratic or otherwise. Over recent centuries constitutional experts, political philosophers, economists and other scholars have offered many different answers: some have favoured centralised, unitary states; others have preferred highly decentralised, federal states; yet others have favoured unitary states but in a context of vigorous local and regional sub-national governments. Various factors have shaped scholarly opinions on such matters, not least considerations of history, geography, ethnic and cultural diversity, and political acceptability. Differing ideological orientations have also been influential, with advocates of “strong” or “participatory” democracy typically favouring a substantial measure of devolution, while defenders of “thin” democracy and those less concerned about the need for checks and balances have often been comfortable with more centralised forms of government.

Since the abolition of the provinces in 1876, New Zealand has been one of the most centralised democracies in the world, certainly if micro states are excluded. Currently, around 90% of total public expenditure is allocated at the national level, most major public services (including education, health and social services) are the responsibility of the central government, and sub-national government has only limited revenue-raising powers. Nevertheless, both regional and territorial authorities have important public functions, and their structure and activities have been the subject of ongoing debate and regular review. In the late 1980s, the Fourth Labour government undertook a major overhaul of the structure of local government. This included many forced amalgamations, the abolition of special purpose authorities, and a sharper separation of the roles and responsibilities of regional government and territorial authorities. In 2002, the Labour-Alliance government expanded the powers of sub-national government and imposed new long-term planning obligations. More recently, the National-led government has reformed the governance of New Zealand’s largest city and established a single, integrated
local authority to manage its affairs – the Auckland Council. It has also initiated a
wider debate about the appropriate constitutional role of sub-national government.

The three chapters in Part 9 of this volume provide a range of perspectives on
recent policy developments in New Zealand with respect to sub-national govern-
ment. In Chap. 22 Jenny Rowan summarises and critiques the changes to the
governance of Auckland, and highlights their risks and implications for local
government elsewhere in the country. As the Mayor of a modest-sized district
council (just north of the capital city, Wellington) and a strong advocate of local
democracy, she has deep concerns about the small size of the new Auckland
Council, the limited resources available to the 21 local boards, and the relatively
limited control that elected officials will be able to exercise over the various
Council Controlled Organisations that have been created to manage 75% of the
city’s services.

In Chap. 23 Mike Reid outlines and contrasts the functionalist and autonomist
conceptions of local government, and highlights the value of “distributed govern-
ment” (that is, the decentralisation of power and authority). He also summarises the
recent debate in New Zealand over whether local government should be given
greater constitutional recognition, including a power of general competence.
Importantly, he emphasises that whatever the precise role and powers of sub-
national government, many contemporary issues will require effective forms of
horizontal integration or co-governance if they are to be adequately addressed.

Finally, in Chap. 24 David Shand (a member of the Royal Commission on
Auckland Governance 2008–2009) discusses two of the key issues addressed by
the Commission and which continue to generate lively debate: the future relation-
ship between the new Auckland Council and central government, and the question
of Māori representation. Following this, he turns his attention to recent debates over
whether the role of local government should be restricted to certain “core services”,
whether there should be changes to the financial accountability regime for local
government, and whether local government should be bound by standardised
requirements with respect to non-financial performance measures (either mandated
by central government or voluntarily agreed). Such issues highlight that there is
much unfinished business in relation to the role and accountability of sub-national
government in New Zealand. Equally, they demonstrate that the constitutional
status of sub-national government remains very unsettled.