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Real reform required, not tinkering



Dave Stewart

I feel I must respond to Keith Melville's latest letter "GST refund not the answer" (**Beacon**, September 24).

Mr Melville has been vocal in claiming he wants the council to offer ratepayers a better deal but supports only candidates who offer very little in the way of substance.

Nationally, the local body elections have thrown up the usual folk who offer reduced rates, cuts to wasteful spending and massive job losses – in other words the same

nonsense we were offered in the recent general election that led to the current fiscal disaster we are in right now. Austerity doesn't work.

What we need is real rates reform, not tinkering. Changing the brand of coffee in the smoko room and downgrading the quality of toilet paper in the council dunnies isn't going to solve rates unaffordability.

This needs bold leadership, someone who isn't scared to take on a campaign to bring long overdue and much needed reform to the way councils are funded. They're not just good ideas, they're already supported by the current government. And they're supported by the overwhelming majority of mayors and councils.

And while Mr Melville says the Government won't listen to ratepayers about reform, he's quite wrong.


In 2021, both National and ACT were all for the same rates reforms that I have made a central part of my election campaign – in fact, these are the reasons they are in my campaign.

On July 15, 2021 the NZ Herald's political editor Thomas Coughlan wrote an article titled *"Councils back Act and National GST idea as frustration builds with Government"* where he reported that noted law firm Simpson Grierson conducted a Local Government survey in 2021 and they found 80 percent of mayors and chairs felt "central government policies and decisions" were one of the top two biggest impediments they faced to achieving results for their community and are keen to get their hands on more funding tools.

Mayors and chairs commented to the survey "that a share of the GST revenue generated in their districts should be returned to local government", saying GST was the "clear favourite" revenue stream of people surveyed.

Southland Mayor Gary Tong told the survey Treasury should "actively look at" the amount of road user charges and GST paid by people in his region, which was then spent in other parts of the country.

Waipā District Council Mayor Jim Mylchreest said councils should get a "share of GST", particularly the GST paid on council rates as well as a share of GST paid on the development of new sections.



"LAs [local authorities] and developers provide all of the services and take all of the risks and Central Government pockets the GST on every new section created," Mr Mylchreest said.

Coughland continues, "Act and National have recently floated similar ideas. National wants to at least explore the idea of councils getting the GST collected on rates, while Act has launched a policy to share half of the GST revenue earned from building a new house with whichever local council issued that house's consent."

Act deputy leader Brooke van Velden said it was "great to see councils supporting Act's policy proposals which encourage more houses to be built".

"Instead of forcing councils to come begging for special funds from the Government, Act would provide an enduring and predictable solution for infrastructure funding," she said.

This debate isn't new. GST was supposed to be introduced on April 1st 1986, but was delayed for six months until September 1, 1986. Why? Because councils and ratepayers everywhere were up in arms over GST being charged on rates. This argument is actually older than GST itself.

What is missing from this is a leader, someone who will champion real rates reform. If elected I will be that leader. If elected to council I will travel to councils up and down the motu, in my own time and on my own dime, championing real rates reform and making a big amplified noise about it that no government will be able to pretend not to hear.

Reading Mr Melville's letter about how "it can't be done" reminded me of sitting in a TAB office in Wellington at the dawn of the internet begging for \$2000 funding to promote my version of video streaming of horse races on the internet where someone there said, "It can't be done, we've looked at it and it's too expensive and too hard".

So I opened my laptop and on a dialup connection showed him my website where I was doing it – doing the impossible.

I'll never forget his response – "No, we've been told by experts that it can't be done"

I put my own \$2000 in and the NZ racing industry ended up using my version of streaming horse races from New Zealand and to the world for the next 20 years.

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