



# SUMMARY OF REPORT

## “THE GOVERNANCE OF AUCKLAND: 5 YEARS ON”

A report commissioned by the **Committee for Auckland**

Five years have passed since local government in Auckland was amalgamated into a unitary council. Today, Auckland Council is the regional government of Auckland. Auckland is the population and commercial hub of New Zealand, the country’s primary portal to the world.

The Committee for Auckland considers that there is a need for ongoing independent benchmarking of the region’s governance model. While the amalgamation is a significant achievement, its long-term plan must deliver off the reform’s aims, as reflected in critical expressions in the public arena. Half a decade on from the radical restructure of governance of New Zealand’s pivotal region, the Committee has examined progress.

The findings are now released in a Committee for Auckland report commissioned from The Policy Observatory at AUT University, entitled: *The Governance of Auckland: 5 years on*.

### Scope of Report

The report is focused on the governance of council and its performance five years on from its establishment as a unitary authority. This structure encompasses the mayor and mayor and councillors (the governing body), the local boards, and Council-Controlled Organisation (CCOs).

The analysis did not extend to the council administration, notwithstanding the key role of administration in formulating policy and delivering services. The Committee will consider conducting a review of the council administration as a second report, given the importance of the council knowledge platform, its decision making and its flow of information. However, such a probe would benefit from a more embedded period of council operation in the unitary era.

This 5-year-on report looks at the context of Auckland’s radical governance restructure, including the region’s economic, cultural and social history. It uses the reform’s foundation documents as yardsticks in relation to council identity, purpose and impact. Those documents are the report of the Royal Commission on Auckland Governance (2009) and Making Auckland Greater (2009), the government’s response to the former report.

This report addresses the question: *has the new council structure delivered on the aims of the reforms?*

## Primary Findings / Observations

The report recognises the difficulty inherent in major reform, and identifies the positives of the unified model five-years on. The thrust of the positives is that there is a stronger and better coordinated regional governance model, developed in a good timeframe. There is a unified rating system and a single integrated plan to guide investment. A primary systemic problem identified by the Royal Commission that 'regional governance was weak and fragmented' has been addressed. The orientation is towards a more cohesive council operation.

The report accepts that delivering on reforms is contextualised by the inheritance of assets and debts from legacy councils, including an Auckland-wide infrastructure debt. However, the critical regional dilemma braided through the report and where the reforms must have impact, is the physical and social deficit mounting from the combination of legacy issues and the scale of Auckland's population growth. The ongoing reality for Auckland is serious pressure on resources and deep-seated inequalities across socio-economic communities.

Increasing inequality is a failure at both regional and central government level. The Auckland Council's vision for Auckland as 'the world's most liveable city' is not yet in sight for many residents of Auckland. The report recognises that the governance system needs attention in some areas. Three outtakes emerge from the report:

### 1. Community Participation Needs Work

The principal determination of the report, which directly impacts equitable growth, is that the links between the region and the neighbourhoods need to be strengthened.

The second systemic problem identified by the Royal Commission – that community engagement was poor – remains an unresolved issue. The size and complexity of the new Auckland Council is inherently alienating, even though the council does have sector group panels to provide input into council. Scale may undermine the public's sense that they can get involved with or influence decision making.

The local board model is a key part of public engagement. It has yet to achieve its potential as an effective means of representation. In creating local boards, the government departed from the Royal Commissions' recommendation of a second-tier of six locally elected councils. Local decisions are devolved to local boards. The initiative was certainly well-purposed as it provided a mechanism for grassroots locally-representative input into decision making.

However local boards lack power and potency. Furthermore, most residents don't feel they can participate in local board decision making. The practice of community engagement varies from board to board.

The role and effectiveness of the local boards is critical for strengthening grassroots input from communities. Decision-making is legally meant to be 'shared' between the governing body and local boards. It is not. Local boards have a broad mandate but lack power, profile and respect. The lines between local decisions and regional decisions are blurred. The part time status of members and low profile / status of boards impede exercise of their power.

Representative governance has yet to come to fruition. The local board model needs to be stronger for regional governance to deliver. The demands of a growing population base underscore this. The Howick local board, for example, represents a population the size of Hamilton. Local boards could potentially have a local economic development role through community-focused initiatives.

Maori representation is another participative link to strengthen. The Independent Maori Statutory Board (IMSB) – devised as a political compromise – is an advisory board outside the council. It is a 'clip on' mechanism. There is the anomaly of IMSB-appointed members of council committees sitting alongside elected councillors, and with voting rights. This warrants further attention. There is lack of transparency around the Board and lack of member accountability to electors.

On a broader track, a salient question is how better to strike the balance between the ward alliances of council representatives and their need to serve the interests of the region as a whole? Overall, the Auckland Council needs to create a better balance between the regional and local spheres.

## 2. The Central Government / Auckland Council Relationship Needs Solving

Another issue at the forefront the report's discussion is the Auckland and central government relationship, and the importance of it being a two-way street. The Royal Commission saw this as a key measure of the success of the reforms.

Despite some steps forward, concerted efforts are needed by both central and regional government in order to work together better to address the deep-seated inequalities in the Auckland region.

In this regard, the report highlights two areas of concern: Maori representation and social issues. The former covers the history, status, impact and accountability of the IMSB, referenced above. The latter underscores that there is no formal central government-Auckland partnership on social policy in the wake of the Auckland reforms in spite of recommendations to that effect by the Royal Commission. Given social policy significance, and social challenges, this is seen as a failure of the reforms to date.

### 3. Council-Controlled Organisations Need Observation

CCOs are also prominent in the study. Various questions are raised across the report around the workings of the distinct CCOs. The CCOs create some separation between the council that owns them and the daily operations of the CCO. The CCOs get on with the business of delivering better outcomes. The semi-autonomous status of CCOs facilitates commercial, professional and politically-unimpeded delivery of crucial services.

One risk that the report sees to regional governance is that CCOs operate as functional silos, where assets and services operated independently from the rest of the council structure. Governance issues such as this are highlighted by recent tensions around the independence of Auckland Transport and the reclamation of Ports of Auckland (not defined as a CCO). These entities are the most removed from council oversight and yet both are critical to Auckland's development.

Transport needs to be part of a systemic approach to managing Auckland's growth, and the report notes that the detached nature of Auckland Transport demands robust monitoring and evaluation by council to ensure strategic objectives of the governing body are met.

#### Going Forward

The Committee for Auckland commissioned *The Governance of Auckland: 5 years on* as a way to take stock of the structure that will govern the future of Auckland, and New Zealand.

While establishment of the Auckland Council is a major step forward, five years into reform there are some important adjustments needed to achieve the aims of the reform.

This is to be expected in a major governance transformation. Going forward, the Committee for Auckland underlines that a dedicated process is needed to benchmark Auckland's progress towards achieving the long-term goals identified in the Auckland Plan. The vision of Auckland can be achieved. Our members will strive to galvanise positive change for our city.