

## Foreword

This report (commissioned by the Committee for Auckland) is an inquiry into the governance of Auckland Council. Governance includes the structure of Council (governing body, Council-Controlled Organisations, the mayor, local boards) and the distribution of duties and decision-making. It examines the location of power but not the personalities of office holders.

Getting structures and decision-making rules right makes good outcomes more likely. Structures and rules, however, are not the only determinants of good outcomes; good outcomes also depend on the implementation of decisions and the judgement of people involved in the process.

Our report has not covered the quality of decision-making or the implementation of decisions and processes. For this reason, some areas of Council activity that are of concern to the public – such as whether the Council is focusing on the right areas of spending or its management of the unitary plan process – are not addressed in this report.

This report places the creation of the unitary council in the context of decades of fragmented local government across the region, a lack of coordination with and investment by central government, an infrastructure deficit and a rapidly growing and changing population. The Auckland Council has inherited the assets and debts (and choices) of previous councils as well as the decisions made by the Auckland Transition Agency. It has had to create structures and processes for the largest local government body in Australasia, mostly from scratch.

The first five years have been about designing and bedding in new structures and developing region-wide strategies, plans, budgets and services. We believe credit must be given to Auckland Council and its staff for the hard work that has gone into building such a large and complex organisation, while maintaining services and functions for the public. We do not agree with those who want to start again and build a new council structure. Nor do we see the need to re-litigate its outer boundaries.

The unitary structure has created a regional government for Auckland, a unified rating system, and a single integrated plan encompassing land use, transport, infrastructure and housing to guide investment. That said, there are on-going issues that need to be sorted. Good structures may make good outcomes possible, but they cannot guarantee them. For example, a single local government entity for the region makes it easier for central government to meet and negotiate joint solutions to the challenges facing Auckland whether those challenges are in transport, housing or jobs. But it does not guarantee that central and local government will engage constructively with each other or even that both parties want the same outcomes.

We note that while some commentators have made claims about the SuperCity being designed to cut rates, cost-cutting was not the intention of the Royal Commission on Auckland Governance. The Commission recommended the unitary structure primarily with a view to creating a unified regional planning and decision-making body with strong leadership. Given the financial policies of the Auckland Council are a key aspect of the public's assessment of the reforms, our report includes a preliminary analysis of the financial impact of its establishment. Our analysis notes that efficiency is hard to measure. It should also be noted that reduced budgets may run at odds with the need to invest significantly in infrastructure for a rapidly growing city.

We do think that the governance system could be improved, particularly with regards to local engagement and participation. The Royal Commission on Auckland Governance highlighted two major problems facing the region: regional governance was weak and fragmented; and community engagement was poor. While the first of these problems has been addressed, the second remains a major issue for Auckland. While community engagement with local body issues is not a problem unique to Auckland, the sheer size of the Council may undermine the public's sense that they can get involved with or influence decision-making. Auckland Council needs to work harder to create a better balance between the regional and the local. The internal boundaries of wards and local boards, and the numbers of elected representatives, will need to adapt to the growth in population, especially given that there is already an unusually high number of residents per elected office-holder. The proper means for representation of Māori remains controversial and this needs to be strengthened.

It was clearly unreasonable to expect that issues such as transport or the quality of the region's infrastructure could be instantly resolved simply by reorganising the governance of Auckland. The physical infrastructure and utilities have been problematic for several decades, whilst access to housing has emerged more recently as a major problem especially for younger families. Population growth is adding to demand for services at a time when the region is still in catch-up mode from previous under-investment. For many citizens today Auckland is far from being the 'world's most liveable city'. If that is the vision being articulated on behalf of the citizens of the region, then it is more appropriate and timely to engage with these outstanding issues and challenges rather than re-litigating the concept (or boundaries) of the unitary council.