SUBMISSION TO
THE ROYAL COMMISSION ON AUCKLAND GOVERNANCE

April 2008

Dr Louise Humpage

EXECUTIVE SUMMARY

This submission asks that the Royal Commission on Auckland Governance:

- Acknowledge that there is poor evidence that Auckland’s problems are caused simply by inadequate regional governance structures and thus resist the urge to recommend reform for reform’s sake.

- Consider revisioning the Auckland Regional Council as a suitable forum for making regional decisions about transport infrastructure, public transport, planning and building control, the ‘three waters’ and electricity supply. This would best be chaired by a directly elected representative who does not have executive powers to make decisions independently of the council.

- Consider retaining the existing seven local government authorities because they each represent distinct and unique cultural and social communities.

- Ensure that local government authorities maintain control over local roads and parks, libraries and recreational facilities, planning of future development and, most importantly, social and community development and engagement.

- Consider the role of central government in causing and solving the three key social problems facing Auckland: housing affordability; transport affordability and equity; and growing socio-economic and ethnic divisions. This includes making recommendations focused on improving coordination with and funding from central government.

- Reject the Auckland City Council draft submission’s proposal to abolish community boards and replace them with 16 community councillors and instead consider how extending the role and funding of the boards might assist in improving the ‘four well-beings’.

- Consider improving the engagement between local government and its citizens by investigating the possibility of introducing specific Maori representative seats and/or the STV system in Auckland’s local governance arrangements.
I am a lecturer in social policy at the University of Auckland and a member of the Public Policy Group, as well as a ratepayer of Auckland City. Given my interests and expertise in the area of social policy, this submission does not intend to address all issues regarding Auckland governance but rather is framed by Section 10 of the Local Government Act (LGA) 2002, which considers one of the purposes of local government to be “to promote the social, economic, environmental and cultural well-being of communities, in the present and for the future”.

Concerned with these ‘four well-beings’, this submission is driven by the belief that Auckland is facing three critical social issues at present:

- Housing affordability;
- Transport affordability and equity;
- Growing socio-economic and ethnic divisions, both between the different council authority catchment areas and between Auckland and other parts of New Zealand.

These social issues are inter-connected and, in each case, have been fuelled by rapid population growth in Auckland, largely the result of immigration, as well reforms and policies implemented at the central government level.

In responding to the five main issues identified by the Royal Commission below, this submission stresses that:

- Any answer to Auckland’s major social problems requires both central government and democratic community involvement and that a focus simply on regional and local governance structures is insufficient to address these key social issues.
- There is a lack of evidence to support the Auckland City Council (ACC) draft submission’s claim that “The structure of Auckland governance is both a root cause and key solution for the region’s problems.”.

---

1 See the Public Policy Group website at: http://www.auckland.ac.nz/publicpolicygroup/
I thus request that the Royal Commission resist the temptation to recommend reform simply because it is ‘easier’ than fully identifying and addressing some of the fundamental issues facing Auckland and, indeed, New Zealand. If we have learned nothing else from the past two decades, we should at least be well aware that reform for reform’s sake can cause as many problems as it solves.

There is a lack of international agreement that local government amalgamation will bring economies of scale or that there is an optimal size for a local government authority to function effectively. Furthermore, focusing only on governance institutions runs the risk of ignoring the range of other actors involved in creating a good city. I consequently believe any move to radically restructure Auckland cannot be justified at the present time.

1) What kind of local government arrangements will help Auckland become a successful world-class city?

A world-class city requires not only outstanding facilities for tourists and visitors but also the provision of high quality infrastructure and activities for all of its residents. This is what I believe the Royal Commission means when it refers to ‘responsiveness’ as one of the needed characteristics of local government.

Recent research I have conducted in Auckland around issues of citizenship suggests that there is considerable frustration about the ‘responsiveness’ of some local governments, largely because huge amounts of rate payer dollars are perceived to be spent on facilities that most Aucklanders are unable to afford to ever use. Meanwhile, Auckland citizens wait for roads to be fixed and long-standing stormwater issues to be resolved. This perception would certainly not have been diminished by the ACC’s draft submission which justified its call for improved regional planning with examples of tourist-focused facilities or events such as the Waterfront stadium and the redevelopment of Eden Park for the Rugby World Cup. While recognising the economic benefits that may result from such ‘world-class’ facilities, the frustration expressed by my research participants indicates the need for local government arrangements that put Aucklanders and their concerns first.

This community-focused approach requires the retention of community boards. In Section 5 I explore this issue in more detail but I ask the Royal Commission to dismiss the proposal made in the ACC’s draft submission which proposes the replacement of the current Community boards with 16 community councillors.
(2) What decisions should be made and implemented at a regional level? By what body or bodies or processes should these decisions be made?

I believe in the principle of subsidiarity, where decision-making is made at the most appropriate level to get the best result and with no decisions made by a larger and higher unit than necessary. Working out exactly what is the best level for decision-making is difficult but it is important that once responsibility has been assigned, it should stay at the level decided rather than be reassigned up and down government or no one taking responsibility at all. This allows the time and space for networks and efficient ways of working to develop\(^\text{11}\).

There are several key areas where I believe decisions are best made at a regional level, with consultation at the local level:

- Transport infrastructure and public transport
- Planning and building control
- The ‘three waters’
- Electricity supply and distribution

I believe important cost-efficiencies and greater consistency could be achieved by integrating these planning and service areas. While I am concerned that such integration would have an immediate negative effect in some areas and for some services, changing the ownership of assets and liabilities (such as Auckland airport and power companies) could also result in wealth redistributions and rationalisation could bring a drop in charges for residents living with some of the seven existing council boundaries\(^\text{12}\). A phased approach and a more comprehensive range of rates and other subsidies would, however, be necessary to minimise any cost increases to low-income earners.

A revisioned Auckland Regional Council (ARC) could act as a suitable forum for these regional decisions, without the necessity of completely restructuring Auckland governance. A greater level of citizen engagement with this regional body might be achieved if the chair was directly elected by the people but the chair should not have executive powers to make decisions for the region independently of the council. Importantly, a major role of this improved regional structure would be to engage with central government, ensuring a cohesive voice in important social impact areas, such as transport and housing. This call for improved central government engagement is explored in more detail in Section 4.

(3) What decisions should be made and implemented at a local level? By what body or bodies or processes should these decisions be made?

The principle of subsidiarity requires that decisions be made at the lowest level possible and there should be a continuing role for local government to be involved in and consulted on the issues described as ‘regional roles’ above. I agree with the ACC


\(^{12}\) See Auckland City Council (2008)
draft submission which states that there needs to be both primary and secondary decision making so local level planning has to be aligned with or consistent with regional strategy. But there are also a large number of services that should be provided locally so residents can influence the delivery. These include:

- Local roads and parks
- Libraries and recreational facilities
- Planning future development
- Social and community development and engagement

It is the last of these that I will focus on here, for I believe that it is crucial that local government retain authority over the four ‘well-beings’ of communities because the particular and unique geographical, cultural and social make-up of each local government authority area means no one-size-fits-all approach can be effective.

Because of the diversity exhibited by each of the existing seven councils, I am not convinced that amalgamation into only four councils (as proposed by the ACC draft submission) is wise. The four new councils proposed each cover a large geographical area which incorporates a very broad range of communities of interest. Not only will it be more difficult for smaller communities and groups to be heard within a bigger council structure but important identities that have developed within existing boundaries will be lost. Thus, I agree with North Shore City Mayor Andrew Williams that a reassessing of boundaries between Territorial Local Authorities may be appropriate but basing wards on Parliamentary electorates would be counter to all of Auckland’s diverse communities interest and would disconnect different parts of cohesive communities.

(4) To what extent should individual local councils follow consistent practices? How do we ensure that decisions made at national, regional, and local government levels are consistent with each other, and that they lead in the same direction?

If the regional integration regarding key infrastructure occurred as noted in Section 2, then it would be necessary for local councils to be consistent in:

- The rates they charge
- The prices they charge for water and other resources or use of infrastructure
- Building consent procedures

As noted in Section 2, rationalisation of rating and charging systems could bring hardship to some areas and peoples. For example, according to the ACC draft submission, Manukau currently has the lowest medium rate amongst the seven existing councils and would be hard hit by any rationalisation because of its low socio-economic standing. This would require a consistent and more substantial rates

---

13 Ibid.
14 Ibid.
17 Auckland City Council (2008).
rebate scheme across all future councils, as recommended by the Local Government Rates Inquiry\textsuperscript{18}.

To ensure that decisions made at national, regional, and local government levels are consistent with each other, and that they lead in the same direction, the regional structure would also need to provide the basic template for local councils in terms of social planning and development. There would, however, be extensive room for local input. This is why the community boards, which gather input from the local level, are essential components of any successful local governance.

Furthermore, the role of central government is critical. Although it does not appear to part of its terms of reference\textsuperscript{19}, it is crucial that the Royal Commission consider the role of central government in alleviating all of three social issues of transport, housing affordability and social divisions. At present, significant central government funding does come into Auckland, but this has been largely for transport infrastructure issues but this is not so in regard to other social issues.

Yet, since the LGA 2002 and in combination with central government’s emphasis on community capacity building, there has been a far greater expectation that community networks and organisations can fix the local problems that poverty or housing affordability are causing.\textsuperscript{20} Demographic change, economic problems, including shortages of skilled labour and the impact of globalisation of markets; social change, in particular, immigration and emigration and its impact on house prices, however, are issues Auckland cannot control.\textsuperscript{21} Thus, not only is there little social data available at local level, so it is difficult to measure the outcomes of local government input, but issues like poverty and housing affordability are structural issues caused by poor policy at the national level. Any work done by local government can only ever be a ‘band-aid’ on a gaping national wound.

Importantly, international evidence suggests that enhanced engagement between regional and central government must go beyond simple consultation and must involve improved coordination and improved funding. The ACC draft submission\textsuperscript{22} argues that currently local government accounts for only 1/8\textsuperscript{th} of the public expenditure but it is expected to deliver well beyond this mandate. There are many activities that local governments undertake that are for the ‘national good’ and I agree with the Local Government New Zealand & Society of Local Government Managers\textsuperscript{23} call for more discussion about what constitutes ‘national good’ and where central government might play a stronger role in supporting this work.

The ACC draft submission\textsuperscript{24} notes that current central government spending is significant but undertaken with no overall strategy for Auckland and on a silo based

\textsuperscript{19} Hulse (2008)/Craig (2004).
\textsuperscript{20} Craig (2004).
\textsuperscript{21} See Local Government New Zealand (2006).
\textsuperscript{22} Auckland City Council (2008).
\textsuperscript{23} Local Government New Zealand (2006).
\textsuperscript{24} Auckland City Council (2008)
approach. Furthermore, the 2007 Local Government Rates Inquiry\textsuperscript{25} has argued that central government should provide some new funding sources, including those to enable the level of rates to be held at sustainable levels over the next 10 years and further improve rates affordability through the rates rebate scheme and other government income support packages. Although there may not be as much cost-shifting as some councils might claim, there is also room for better recognition of the additional functions passed onto local government (such as RMA 1999 and Building Act 2004 processes, inspection and licensing of licensed premises, gambling machine licensing and supervision etc)\textsuperscript{26}. Under the principle of ‘subsidiarity’, however, the role of central government must be carefully negotiated and conscribed so that business and third sector go to the regional/local authority at their first port of call rather than straight to central government.\textsuperscript{27}

(5) How do we ensure that whatever form of local government is adopted remains properly accountable to the people of Auckland?

One of the purposes of local government, according to Section 10 of the Local Government Act 2002 is “to enable democratic local decision-making and action by, and on behalf of, communities”.

\textit{I believe that the ACC’s draft submission, which suggested cutting the existing 264 elected representatives to 26, as well as reducing the replacing the current community boards with 26 community councillors, is flawed and will make a farce of the LGA’s stated purpose for local government.} It would be impossible for such a small number of community councillors to effectively engage with and respond to the issues faced by the 60,000 constituents each will be said to represent.

It is true the level of resourcing and ability to make local-based decisions available to community boards is constrained at present, making some boards less effective than they might otherwise be. But improvements in this regard would continue to provide members of local communities the chance to have a face-to-face and ongoing relationship with their community representative so that local, as well as tourist, needs are met. Hence, the North Shore City Council’s draft submission\textsuperscript{28} suggests strengthening, rather than abolishing, community boards with extra funds so as to help keep the ‘local’ in local government.

It is also true that Auckland as a while has low voter turnout compared to other cities in New Zealand (Quality of Life 2007) and that New Zealanders in general are becoming less engaged in formal civic participation. But reducing the level of engagement Aucklanders have with local government is not the answer. My own research\textsuperscript{29} indicates that people feel disengaged \textit{not} because they do not care about their local communities – indeed, the large majority of them are involved in a myriad of different ways through cultural groups, schools, sports groups and the like. In addition, although the ACC’s draft submission\textsuperscript{30} suggests that new waterfront stadium

\begin{flushright}
\textsuperscript{25} Local Government Rates Inquiry (2007).
\textsuperscript{26} Local Government New Zealand (2006).
\textsuperscript{27} This is an issue highlighted overseas, as McKinlay (2008) indicates.
\textsuperscript{28} North Shore City Council (2008) Draft Submission at: http://www.northshorecity.govt.nz/
\textsuperscript{29} Humpage (2007).
\textsuperscript{30} Auckland City Council (2008)
\end{flushright}
proposal failed in 2007 because there was no single regional structure voice, it failed not least because citizens were able to stage considerable community resistance to it!

At the local government level, however, citizens feel powerless to make any significant change. I believe the ACC’s proposal to eliminate the community boards would hinder rather than help accountability in local and regional government. Means for improving civic engagement at this level could include online or text voting or greater use of the STV system, for this would be more likely to elect minority group candidates that some Aucklanders would feel more affinity with. However, the lessons learned from the eight local government authorities where this system is used should also be considered prior to implementation.

A major finding of my recent study further indicates that words like ‘citizenship’, which is associated with the right and duty to vote, holds little currency for many New Zealanders, particularly Maori and Pasifika peoples. ‘Family’ and ‘community’ are where they feel they have rights and responsibilities and I believe it is this language and at this level of engagement that is needed to encourage greater civic participation, including voting in local body elections. This language is already reflected in the LGA’s second purpose, regarding the promotion of the ‘four well-beings’, and in the successful collaborative and partnership practices that have been developed in Waitakere and other areas.

A second key issue that is not explicitly identified by the Royal Commission (but should have been) is how to best ensure adequate Maori representation in any new or revised governance structures. The terms of reference for the Royal Commission mention consultation with Maori but do not appear to be looking for better opportunities to improve Maori involvement in governance. I believe this requires going beyond the single ‘mana whenua’ committee proposed in the ACC’s draft submission. I instead ask the Royal Commission to consider recommending that any new regional and/or local governance structures consider seriously the idea of guaranteed Maori electoral seats, such as those created by the Bay of Plenty Regional Council (Maori Constituency Empowering) Act 2001.

While adequate Maori representation is crucial to honouring the Treaty of Waitangi 1840, it is also important that other ethnic groups be ensured representation as relevant in each local government authority. This would be particularly important if, as the ACC draft submission proposed, amalgamation saw the number of local councils reduced to four. As noted earlier, adoption of the STV system of voting might assist in this regard. However, it might also be appropriate to consider special electoral seats to ensure, for example, adequate Asian representation on the Northern council and Pasifika representation on the Southern council.

---

31 This finding is reinforced by the Department of Internal Affairs study on Barriers and Enablers to Participate in Local Government (2007) which was conducted by UMR Research and available at: http://www.localcouncils.govt.nz/lgip.nsf/wpg_URL/Resources-Research-Index?OpenDocument
32 See the STV website at: http://www.stv.govt.nz/STV/index.htm
34 Auckland City Council (2008).
35 Ibid.
In summary, I believe that the existing governance arrangements in Auckland require some strengthening at the regional level but that it is important to maintain strong local identities and governance as well. Modifications, rather than a complete overhaul, to the existing governance arrangements can achieve these aims.

I thank the Royal Commission for the opportunity to offer these views.

Yours sincerely,

Dr Louise Humpage
Lecturer
University of Auckland