

26 March 2010

Local Board Feedback and  
Auckland Council CCO Feedback  
Auckland Transition Agency  
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## **Submission on the Auckland Transition Agency**

### **Discussion Documents:**

- **Auckland Council local boards**
- **Council-controlled organisations of Auckland Council**

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## 1. INTRODUCTION

This submission is from the Institute of Public Policy (IPP) incorporating the Local Government Centre at AUT University. The Centre is New Zealand's first university-based think tank focusing on research, teaching and research-informed consultancy for the local government sector. It has extensive international linkages, is an associate member of the Commonwealth Local Government Forum and is represented on the forum's Research Advisory Group.

The Institute of Public Policy would be pleased to present and discuss the matters within our submission directly with the Auckland Transition Agency should that opportunity be provided. We can be contacted as follows:

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## 2. OVERVIEW

The Institute of Public Policy acknowledges the role that the Auckland Transition Agency (ATA) has to plan and manage the reorganisation that supports creation of the new Auckland Council, including performing the tasks allocated to it by legislation which has been passed [Local Government (Tamaki Makaurau Reorganisations) Act 2009 and the Local Government (Auckland Council) Act 2009], and legislation that is currently in draft form and under consideration by the Auckland Governance Legislation Select Committee [Local Government (Auckland Law Reform) Bill].

As submitted to the Select Committee in June 2009 and again in February 2010, the Institute of Public Policy supports the recognised need to create an effective region wide strategic decision-making capability, and the emphasis on improved local governance and community engagement. We are committed to doing what we can to contribute to achieving the best governance arrangements for Auckland.

Our submission relates to matters of principle, rather than addressing the details of, for example, whether or not certain CCOs should or should not be established or the specific allocation of responsibilities for local boards. It also concentrates on governance and accountability aspects working within the current proposed structures under the legislation where we believe the ATA has a critical contribution to make in building democratic institutions and organisations that will gain the trust and confidence of people in the Auckland city-region.

### 3. CREATING A LEGITIMATE DEMOCRATIC STRUCTURE IN ADDITION TO AN EFFICIENT SERVICE DELIVERY STRUCTURE

The Auckland Transition Agency is the administrative agency implementing central government's reforms that will create the most significant public body in New Zealand. The ATA's role is to plan and manage all matters in relation to the reorganisation of Auckland local government and to advise the Minister of Local Government on these matters<sup>1</sup>. In appointing Mr Mark Ford to the position of Executive Chairman of the ATA, Hon. Rodney Hide commented:

*"This is the most demanding and important **corporate assignment** [our emphasis] in New Zealand. That is why we've chosen someone of Mr Ford's calibre and appointed him as Executive Chairman to ensure he has the powers to fulfil his role effectively."* Media Release 22/5/2009

The agency has generally understood and articulated its role as project delivery for day one operations.

*"The Auckland Council is a completely new model for New Zealand and is designed to strengthen regional leadership while providing effective local and community democracy. This new structure must be in place and operating effectively from day one. The Auckland Transition Agency has been given the responsibility for ensuring this happens."*

ATA Discussion Document-Auckland Council local boards, p2

*"I'm here to deliver a project. The politicians have to deliver the message – it's their message, not mine...It's no different from building a spaceship or a bridge in that in a project everything has got to be distilled down to manageable bites...Like all project managers, I'd like to have twice the time that I'm given, but we'll deliver. I am absolutely certain [that] on day one, Auckland will get a huge win out of what we're doing."*

Mark Ford quoted in NZ Herald article "Mark Ford-the invisible autocrat", 6 March 2010

A great deal of emphasis is therefore being placed on the new arrangements being efficient and effective in delivering customer services. However equally important is that the new arrangements provide for legitimate democratic decision-making and reflect public values and expectations of local governance. The Local Government Act 2002 (clause 10) sets out the purpose of local government:

- (a) to enable democratic local decision-making and action by, and on behalf of, communities; and
- (b) to promote the social, economic, environmental, and cultural well-being of communities, in the present and for the future.

Creating the new Auckland Council involves establishing an organisation which fulfils this purpose and works in the public interest, for the common good. This involves balancing multiple and at times conflicting objectives. It is not simply an organisation that delivers efficient customer service using business management practices. The new Auckland Council has important constitutional and political responsibilities which need to be recognised within the transition and beyond. It is therefore significant and concerning that the newly appointed Chief Executive has no public sector experience.

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<sup>1</sup> Local Government (Tamaki Makaurau Reorganisation) Act 2009, cl 13 (1)(a)-(b), p9

Unlike 1989 where existing local government elected members, the Chief Executives and staff in councils around Auckland were intimately involved in guiding and decision-making in the transition process, the ATA is an independent government appointed entity acting without local political mandate. Yet part of its role is to make inherently political decisions about the nature of community and the trade-off between efficiency and local democracy. Both the latter are desirable but the two can be in conflict and the dilemma is apparent in the two discussion documents. The ATA has carefully set out its proposals for local boards and CCOs within the legislation as it is currently drafted, mindful of statements by central government politicians seeking meaningful roles for local boards<sup>2</sup>, 'local decisions on local activities'<sup>3</sup>, 'transparent and accountable CCOs'<sup>4</sup> and increasing demands from locally elected politicians and community members for improved input and engagement, local decision-making and mechanisms that will provide Auckland Council with real powers to hold CCOs to account.

Given the depth of feeling that is emerging, the ATA's duty to 'ensure that the Auckland Council is ready to function on and from 1 November 2010' must of necessity include building an organisation that is accepted as legitimate and not potentially riven by disagreements between local boards, CCOs and the Auckland Council. It is crucial that the structure and accountabilities being created not only look to be within reasonable parameters but overwhelmingly the public believes what is in place is fair and the result of a process which has responded to concerns raised.

We therefore urge the ATA to use all of the mechanisms at its disposal to put in place fundamental provisions that will create a democratic organisation, where all component parts are seen to be accountable to the citizens and ratepayers of the new city-region.

To assist the ATA in its important task of building a legitimate, and not just theoretically efficient, structure we now highlight seven areas it can address to improve the contribution of local boards and the CCOs to the new Auckland Council:

1. Incoming Advice to Auckland Council and CCOs
2. Depicting the new Auckland Council structure
3. Staffing the new Auckland Council
4. Statement of Intent (including Performance Monitoring)
5. Contracts for Service
6. Council Committee with governance oversight of CCOs and Governance and Monitoring Unit
7. Chairperson Appointments to CCO Boards

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<sup>2</sup> Hon. Rodney Hide, Minister of Local Government, Speech to Local Government New Zealand Conference, 28 July 2009

<sup>3</sup> Hon. John Carter, Associate Minister Local Government and Chairperson Auckland Governance Legislation Select Committee, "Boards to breathe new life into local government" New Zealand Herald, 26 January 2010

<sup>4</sup> Hon. Rodney Hide and Hon. Steven Joyce, "Transparency and efficiency at the heart of CCO plans", New Zealand Herald, 10 March 2010

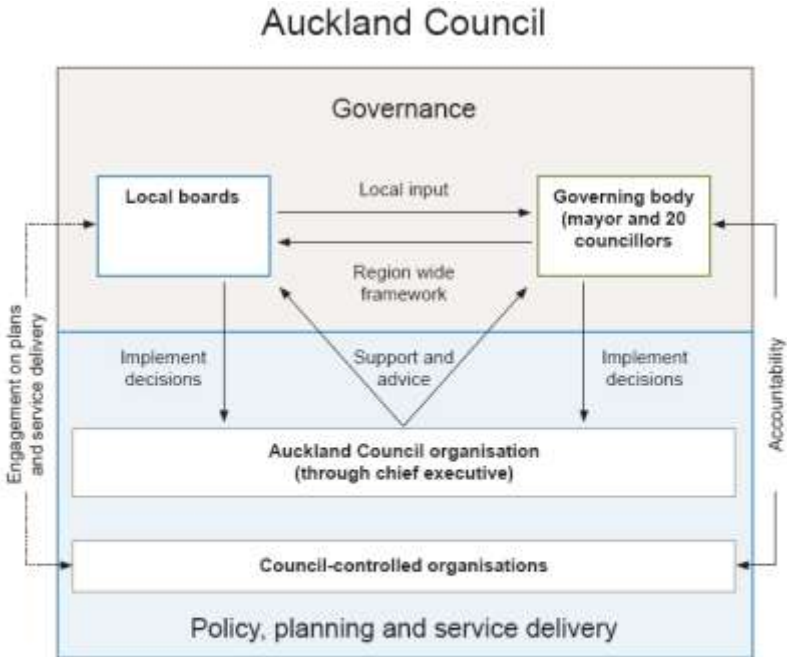
**4. INCOMING ADVICE TO AUCKLAND COUNCIL AND CCOS**

We commend the ATA for including within the Local Boards discussion paper consideration of how the new Auckland Council could delegate decisions to Local Boards even though the ATA is not able to authorise this. Furthermore inclusion of discussions around how CCOs, and in particular Auckland Transport, could work with Local Boards is helpful. We note that the ATA did not include discussions of what aspects Auckland Transport could delegate to Local Boards, although this will be of particular interest for incoming elected members and the wider public and is something we would recommend is explored further.

In light of the proactive approach taken above we strongly recommend that the ATA adopt the central government public sector approach of providing Briefings for Incoming Ministers (BIMs) but adapted to provide more than background information on the situation thus far but recommendations for the way forward based on the work undertaken. We recommend the ATA develop and publicly release a Briefing for the Incoming Auckland Council and Briefings for Incoming CCOs. This would enable an insightful overview of what expectations and opportunities the ATA has identified which the CCOs and Auckland Council could progress. It would also enable the wider public to transparently understand how all the component parts of the organisation are anticipated to work coherently together to deliver improved outcomes. We believe such briefing documents would ensure information is not 'lost in transition or translation' and most importantly help contribute to building public confidence in the new organisation as it starts operation.

**5. DEPICTING THE NEW AUCKLAND COUNCIL STRUCTURE**

The diagram below (local boards discussion document, p9) shows the ATA's interpretation of the structure for the new Auckland Council.



Auckland Council will be advised by an independent board for mana whenua and Maori of Tamaki Makaurau. The board must appoint a maximum of two persons to sit on each of Auckland Council's committees that deal with the management and stewardship of natural and physical resource. Auckland Council will also be advised by a Pacific peoples advisory panel and an ethnic advisory panel.

Acknowledging the difficulty associated with providing an easily understood graphic overview of the new organisation, there are some aspects of this structure which simplifies and could misrepresent roles and relationships. Two aspects in particular concern us.

Firstly 'Policy' is shown as the responsibility of the Auckland Council organisation and the Council-controlled organisations and not reflected in the 'governance' area. In our view policy setting is the essential democratic role that sits with both the governing body (regional strategic policy decision-making) and the local boards (local policy decision-making). While the Auckland Council organisation has a role in providing advice to elected members as part of developing policies and then implementing these and CCOs have a role in providing feedback on policy and implementing the policy of the governing body and local boards, it is extremely important to entrench within the structural design of the overall organisation that it is elected members which set the policy direction.

**Without such a clear hierarchy of responsibility there is a substantial risk that the Auckland Council organisation will be insufficiently resourced to provide the sufficient depth of advice required for all policy aspects including those areas of activity undertaken by the CCOs.** Under the proposed structure a very large, well-funded and -staffed arms-length agency could become a de facto policy setter 'filling the void' if insufficient expertise and independence in policy development resides within or is able to be accessed by the governing body and local boards. Certainly the diagram the ATA has drawn reinforces the expectation that the governance entities provide 'frameworks' and 'local input' but policy sits elsewhere. In our view the democratically elected members' governance role must be reinforced by clearly identifying their policy decision-making role.

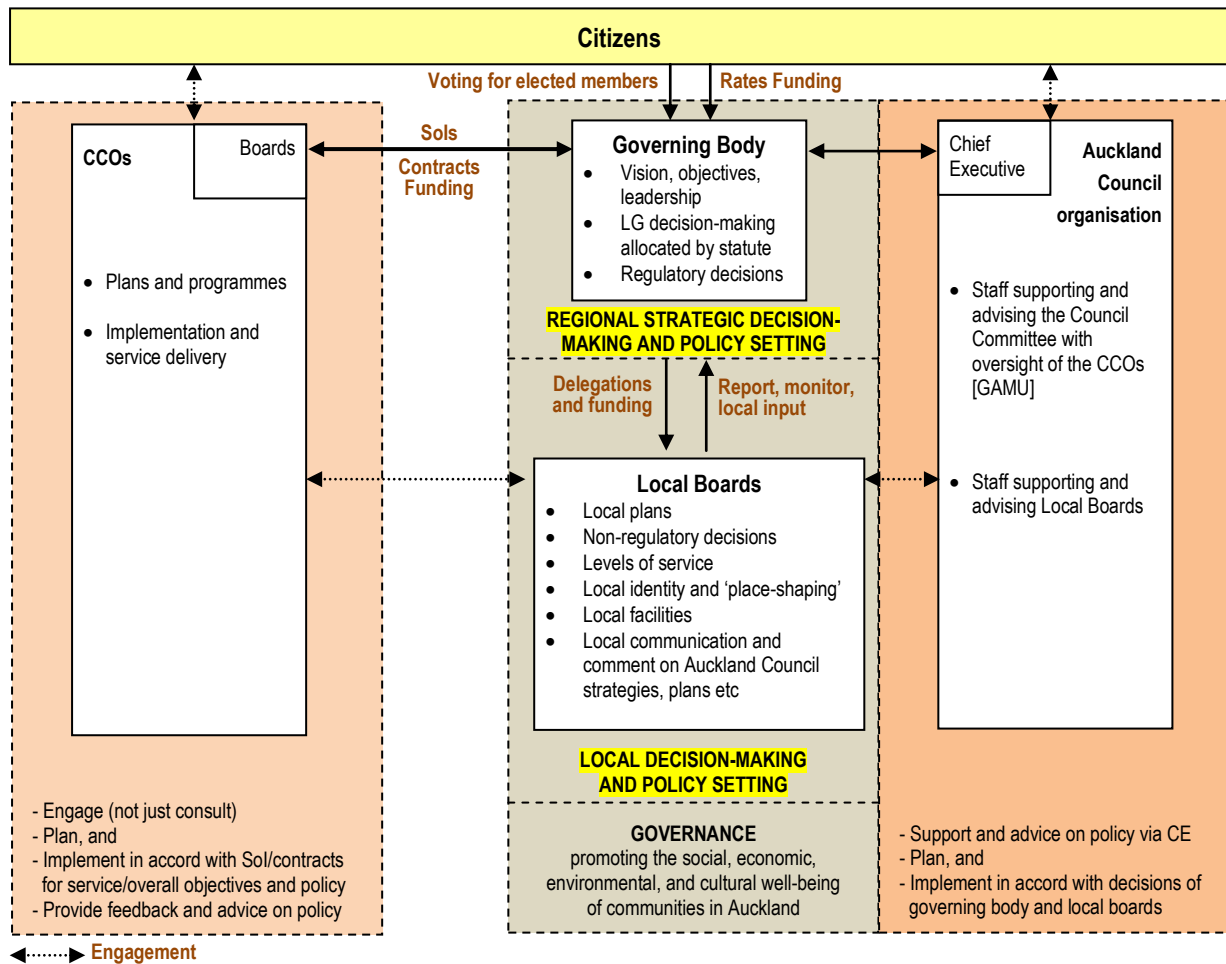
The second area of concern relates to CCOs and the links which identify some general accountability with the governing body and engagement on plans and service delivery with local boards. Absent from this mix is the requirement for CCOs to implement in accord with the objectives and policy of the 'two complementary and non-hierarchical decision-making parts'<sup>5</sup> of Auckland Council and its Statement of Intent and contracts for the supply of goods and services. The legislation as it is currently drafted is unclear in setting out the extent to which CCOs must work to deliver the objectives and policy decisions of the governing body and the local boards but it is an aspect which the ATA can address by the way it designs the structure and reinforces the role that CCOs perform, as delivery agents for democratic governance.

In the absence of a second tier of local government we have tried to address these concerns below. We therefore propose the ATA adopt an alternative diagram for communicating the structure of the Auckland Council, which strongly emphasises the creation of a democratic organisation where the component parts are accountable to its citizens and funding ratepayers.

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<sup>5</sup> Auckland Transition Agency, "Discussion Document-Auckland Council local boards", p2

**Figure 1 Alternate structure emphasising democratic policy decision-making for new Auckland Council**



Having now re-described the role of the governing body, local boards and CCOs setting in place a clear democratic policy setting role for the elected members, we now turn to consider specific mechanisms which the ATA has at its disposal that could improve how effectively the various components of the new Auckland Council work together.

## 6. STAFFING THE NEW AUCKLAND COUNCIL

Delivering a legitimate democratic structure as well as an efficient service delivery structure will involve providing staff resources that can support both areas. There are five staffing matters we suggest the ATA considers more fully as it develops the new organisations.

### (a) Recognition of local board importance

*"For many Aucklanders local boards will be the face of local government"*  
 (p2, Local Boards document)

The ATA in its structure for the new Council has positioned the Manager Local Board Services as a Tier 3 position reporting to the Chief Financial Officer. Given the role and significance of local boards it would have been reasonable to anticipate that the lead

organisational staff member would be positioned as a direct report to the Chief Executive. This, along with the position of the Manager Democracy Services placed at Tier 3, appears to signal that democratic activities are equivalent to functional financial activities and do not in themselves deserve the most senior or separate recognition within the organisational structure. Indeed when a Manager Civil Defence is included in the Office of the Chief Executive as a Tier 3 position, and managers associated with effective democratic roles do not, a question of priority and balance is highlighted. This organisational structure progressed by the ATA therefore downplays the importance of the supporting the governance role of elected members and reduces the importance of establishing a legitimate democratic structure. We see this as a structural weakness that the ATA has previously considered and dismissed<sup>6</sup> but raise it again as a matter of principle.

**(b) Independence of Manager Local Board Services and staff supporting and advising local boards**

The position description for the Manager Local Board Services as advertised by Momentum sets out the role purpose as follows:

*"The Manager Local Board Services will provide senior points of contact for Local Boards and will assist them in building credibility within the community. The Manager will also **act as an advocate for the Locals Boards within the Council** [our emphasis]. The Local Boards' team will provide resources to enable Local Boards to fulfil their role and access specialist support and advice from other parts of the organisation. The team will strive to add significant value to Local Boards by providing a service that is objective, timely and **organisationally consistent** [our emphasis]."*

The ATA's discussion document also sets out its approach to the support for local boards including the following criteria (p39).

- *Auckland Council staff as a whole serve both the governing body and local boards*
- *local boards will receive advice that is objective, timely and **organisationally consistent** [our emphasis]*
- *advice provided to local boards will be provided by **functional specialists where possible** [our emphasis]*
- *the local boards will be effectively supported from day one*
- *the structure must encourage communication and be flexible to meet local circumstances*
- *local board services will be delivered **cost-effectively** [our emphasis].*

Under the legislation Local Boards have a range of independent functions, duties and powers and decision-making responsibilities.

They-

- must monitor and report on implementation of the local board agreement for its local board area
- may consider and report on any matter of interest or concern to the local board, whether or not the matter is referred to it by the governing body

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<sup>6</sup> Auckland Transition Agency, "Feedback and Decisions- Organisational Structure & Staff Transition", 18 December 2009, p6



Are responsible and democratically accountable for-

- identifying and communicating the interests and preferences of the people in its local board area in relation to the content of the strategies, policies, plans, and bylaws of the Auckland Council
- the agreement reached with the governing body (as set out in the local board agreement) in respect of local activities for its local board area.

All the above suggest that at times the views of Local Boards, in representing their local area, will not be consistent with the overall direction and views of the governing body. Tensions will arise and in our view it is disturbing and inappropriate that the Manager and staff that will be supporting local boards are being required to provide a service that is '**organisationally consistent**'. This will place these staff in an invidious employment position. Do they provide independent advice to the local boards based on the issues of concern in a local area, or are they required to follow the directives (formal or informal through organisational culture and pressure) of the governing body as passed through the Chief Executive, onto the Chief Finance Officer and the Local Boards Manager? How will the Local Boards Manager act as an advocate for the Local Boards if they are not able to engage in matters that may not be 'organisationally consistent'?

It is our view that staff which provide advice, both within the Local Boards team and also those which provide specialist advice, must be protected from adverse consequences from supporting local board positions which conflict with the Chief Executive's advice to the governing body. Without these protections in place it is extremely likely that staff will find themselves in untenable positions where values they may have in providing professional, quality, independent advice is undermined by the requirement to adhere to the 'organisational' directives or culture. Local boards' democratic independence in relation to local matters could suffer and result in disempowering their decision-making.

***We recommend the ATA move away from its current approach of requiring local board staff and advisers to adhere to the provision of an 'organisationally consistent' service and move toward ring-fenced democratic mechanisms that allow staff and elected members to act in the best interests of the communities they serve. We suggest the ATA include clear provisions within the Chief Executive's performance agreement requiring the Chief Executive to provide a safe working environment for staff advising local boards and consider an independent ombudsperson to handle any concerns staff may have.***

**(c) Sufficient resource provided for local boards**

*"Local boards are intended to have a significant role. They will be making decisions over a wide range of local government matters at the local level and will have the budgets to back this up. An important role is around shaping the places that they have been elected to serve, that is building a local identity and creating a cohesive community.*

*The new governance arrangements mean local boards will have a strong connection with their communities.*

*Local boards will work with the governing body, the CCOs, government agencies and others to respond to their communities' needs and to take the local voice forward into regional strategies policies and plans."*

(p16, local boards document)

As set out in the legislation and in the ATA document, Local Boards functions are wide-ranging and their roles are anticipated to be more than slightly enhanced community boards. As such the Local Boards will need significant levels of dedicated staff beyond administrative and consultative advisers, but senior strategic policy advisers able to assist them in providing the local input to strategies, policies and plans of the Auckland Council but also the Statement of Intents for CCOs and negotiations with CCOs over local components of the work they undertake (e.g. local levels of service with Auckland Transport or economic development).

The ATA document does make reference at a high level to the management structure that will support Local Boards however the criteria (see p8) the ATA has developed may place considerable constraints on this i.e. *advice from functional specialists will be provided **where possible**, local board services will be delivered **cost-effectively***. This suggests that while Local Boards may in theory have the ability to progress matters delegated to it, or any matters of interest to the local community, this will be constrained by available budgets and in the first instance these are to be allocated by the ATA. **A Local Board will need the financial flexibility for it to seek external, specialist advice on matters and we recommend that the ATA provide for this in the initial budget allocations.** However as Local Boards are complementary decision-making parts of Auckland Council, access to such specialists would need to be available to fulfil their role and not provide an avenue for endless re-litigation of governing body decisions. This will be a particular tension that may arise where the exact line of responsibilities (local or regional) are unclear.

We note that a gap appears to exist in relation to the Social Policy Forum where there is to be select representation from Local Boards. ***How will addressing social issues matters by Local Boards be supported?***

We also observe that the 'other staff' which the ATA has identified the Manager Local Board Services will have access to (p40 Local Boards document), does not describe staff within Auckland Council that will have specialist knowledge of policy areas that the CCOs will be delivering on e.g. policy advice and support in transport, economic development, local/regional facilities and investments. How will local service standards and maintenance programmes be negotiated without such specialist Auckland Council staff supporting Local Boards in their engagement with CCOs? In addition the Land Transport Management Act has been altered so Auckland Transport is required to consult on its Regional Land Transport Programme with each Local Board of the Council. What staff in Auckland Council will provide the needed support for this to occur? Sole reliance on the CCO staff as advisers is inappropriate as they will be required work in the interests of their organisation which at times will conflict with delivering locally based solutions. ***Mechanisms that provide for effective, quality engagement between the CCOs and independently supported Local Boards will therefore be needed.***

#### ***(d) CCO staff engagement with local boards***

Where a CCO of Auckland Council is created by Order in Council, the ATA has the responsibility for establishing that CCO and as part of this will need to specify its structure and operation. As such the ATA will need to ensure that sufficient staff are included within the CCOs to enable effective engagement with Local Boards and to assist them in fulfilling their functions and duties. This will involve direct meetings and reporting and not simply communications via the Local Boards support team. ***It is currently unclear from the ATA's documentation whether this engagement role with Local Boards will be prioritised and we recommend that it is.***

**(e) Depth and quality of policy resource within Auckland Council**

While Local Boards will require access to specialists with knowledge of the policy areas that the CCOs deliver upon, this is even more of a priority for the Governing Body of Auckland Council. We note that while Tier 3 positions exist in relation to Economic Development, Environmental Strategy & Policy, and Cultural Policy it is unclear whether social well-being is effectively provided for in the development of strategies and to support engagement via the proposed Social Policy Forum. In addition development of the Regional Land Transport Strategy is the responsibility of the Auckland Council and staff will be needed to provide effective engagement with and monitoring of adherence by Auckland Transport to this Strategy.

In our view it is important that Auckland Council retains sufficient depth and quality of specialist policy advice in-house to enable the Auckland Council to develop and set policy and hold to account the CCOs and/or the Council organisation itself for delivering against this policy. There appears to be a substantial risk that CCOs will be empowered with policy and technical advice but the Auckland Council (and by association Local Boards) will be under-resourced, if the ATA does not recognise the important policy setting and democratic role that elected members and the Auckland Council must perform and instead sees such policy resource as unnecessary duplication.

**7. STATEMENT OF INTENT (INCLUDING PERFORMANCE MONITORING)**

Strengthening the effective control that Auckland Council has over its CCOs from the day it comes into office, is essential for the proper working of the Council as a whole. Such an approach would reinforce the democratic decision-making and policy direction setting of the new Auckland Council which the CCOs work to deliver.

Under the current legislation, the ATA will be authorised to establish, with effect on and from 1 November 2010, 1 or more entities as council-controlled organisations of the Auckland Council. The Order in Council that will authorise the CCOs establishment:

- "(a) must specify the objectives of the council-controlled organisation; and*
  - "(b) must specify the governance structure of the organisation; and*
  - "(c) may specify any other details concerning the structure and operation of the council-controlled organisation that the Minister recommends.*
- (Local Government (Auckland Law Reform) Bill, new section 35G(2))

Based on the above, and the need for some clear directions and performance accountability for the CCOs from day one, we have assumed (as it is unclear from the CCO discussion document) that the ATA will be working to produce initial Statement of Intent for consideration by the incoming Boards and the new Auckland Council. Without any initial Statements of Intent, the organisations could operate as semi-autonomous entities without clear direction for a considerable period of time and we believe this would undermine public confidence in these organisations when current discourse already indicates a level of uncertainty. We therefore set out a series of suggestions for aspects we believe the ATA needs to include in the SoIs for the CCOs (we also note under 'How to give feedback' p38 CCO document, Question 2 asks for elements that should be included in the SOIs). While Auckland Transport, Watercare Services Limited and the Waterfront Development Agency have been legislated for in different terms, we would also encourage the ATA to ensure the suggestions we make apply to these organisation's SoIs to the greatest extent possible.

**(a) Requirement for CCOs to 'give effect' to the objectives, strategies and policies of Auckland Council and performance indicators of adherence**

The legislation as currently drafted indicates that the Council may require a substantive CCO to:

*"include in its statement of intent a narrative on how the organisation will contribute to the Council's and, where appropriate, the Government's objectives and priorities for Auckland"* (new Part 8, section 75 (2)(a))

This does not however require a CCO to adhere to its shareholding owner the Auckland Council's objectives and priorities (only contribute), nor does it require the CCO to implement the strategies and policies of the Auckland Council.

Whereas Section 103 of the Crown Entities Act 2004 provides for the responsible Minister of a Crown agent to direct an entity to give effect to a government policy that relates to the entity's functions and objectives, there is no similar power for Auckland Council within the legislation as currently drafted.

To overcome these significant gaps in the legislation, it is critical that the Statement of Intent for all the CCOs makes it crystal clear that the organisations are required to 'give effect' to all the objectives, strategies and policies of the Auckland Council where they relate to the CCOs functions and that performance indicators of adherence are applied.

We note references within the CCO discussion document (p3) to CCOs giving effect to plans:

*"Going forward, CCOs will also play an important role in giving effect to the Auckland Council's strategic direction, including the Spatial Plan and associated strategies relevant to each CCO...This model therefore relies on strong, effective accountability mechanisms between the council and the CCO. These include: -being required to give effect to the Spatial and other Auckland Council plans..."*

However in the current legislation there appears to be no substance to this assertion, so it will require inclusion in the initial documents establishing the CCOs and/or the SoI. In our view it is important that the requirement to 'give effect' be made generic to all objectives, strategies, policies and plans of the new Auckland Council rather than selective allocation of 'giving effect'.

We refer the ATA to a particular issue that relates to transport and the Regional Land Transport Strategy which the Auckland Council has the responsibility for developing and adopting. Currently ARTA is required under section 12(6) of the Land Transport Management Act 2004 to "give effect to" matters in the Auckland RLTS, however under the new legislation Auckland Transport's responsibility is far less onerous. It is required to "be consistent with" the Government Policy Statement and Land Transport Funding, the Auckland Regional Land Transport Strategy and the Auckland Council's Long-Term Council Community Plan. This legislation is therefore likely to sandwich Auckland Transport between differing central government and Auckland Council directions for transport. A dilemma most recently illustrated by the Puhoi-Wellsford road identified as a road of national significance by the government whereas the Auckland Regional Transport Committee did not view it as fitting well into its strategy's approach with an emphasis on a public transport led direction. We believe it is important that this uncertain strategic direction, which can undermine Auckland Council democratic policy

setting, does not proliferate amongst other CCOs hence our recommendation for 'giving effect' to the directions set by the new Auckland Council within SoIs.

**(b) Requirement for CCOs to 'give effect' to local policy decisions of local boards**

As the ATA noted in the local boards discussion paper (p2) the governing body and local boards are two complementary and non-hierarchical decision-making parts. It therefore follows that CCOs be required in their SOIs to 'give effect' to policy decisions legitimately made by local boards, as distinct from those of the governing body. Without such a requirement in place (and associated measures of performance), then local boards will be left with only very indirect means of influencing CCOs decisions i.e. raising with the Council Committee that has governance oversight of the CCOs, with a view to having the SoI and/or the contract for service with a CCO changed.

We note that the ATA has suggested (p4, p13 CCO discussion document) that CCOs be required in their SoIs to 'take account of the views' of local boards and we support this approach where local boards are acting in their advocacy or communication roles. However where local boards have been delegated decision-making responsibilities by Auckland Council (or in the first instance the ATA) and/or they are seeking reports on the implementation of their local board plan and agreement which a CCO may have responsibility in part for delivering upon, then accountability needs to be much stronger with the CCO required to 'give effect' to the legitimate local policy directions of the local board. Measures of how CCOs 'take account of views' of local boards, and the extent of adherence to 'giving effect' to local policies also need inclusion in the SoIs. We encourage the ATA to recognise the distinction between the two functions of local boards within the SoIs, and strengthen the accountability linkages.

**(c) Relationship mechanisms and engagement with local boards**

The ATA has emphasised in both discussion documents the need for SoIs to:

*"promote a collaborative working relationship between the CCO, the governing body and the local boards"*  
(p44 Local boards document, p13 CCO document).

While this is an important principle which must be introduced, it will only be effective if clear KPIs are developed that will measure the extent that collaboration has produced improved outcomes as well as improved relationships. KPIs that simply measure process such as measuring collaboration by meeting numbers or such like would be inadequate.

A substantial level of engagement can be expected between some CCOs (e.g. Auckland Transport) and Local Boards particularly over Local Board Plans and Agreements. As such the SoIs should:

- require CCOs to establish and maintain processes for ensuring local boards can contribute to its decision-making processes where appropriate, and
- require CCOs to contribute to the decision-making processes of the local boards, and
- include very clear KPIs about the purpose, mode and timing of engagement, rather than leaving it open-ended and subject to the ad hoc discretion of CCOs or advocacy pressure by local boards. This may also provide for more than one local board to work collectively on issues of relevance for a CCO.

The current legislation applicable to Auckland Transport does not provide for public meetings between Local Boards and the Board of Auckland Transport. We see this as a significant oversight in the legislation but note that once again this could be addressed via the SoI, not only for Auckland Transport but for all other CCOs yet to be created and for Watercare Services and the Waterfront Development Agency. For this reason we recommend that the relationship mechanisms provided for in SoIs include the provision for Local Boards to meet with the CCOs Boards, in particular prior to decisions where substantive local impacts are to be made.

**(d) Relationship mechanisms and engagement with Pacific people, Ethnic people and Māori.**

The current legislation does not directly provide for any linkages between the CCOs to be established and the Pacific or Ethnic Peoples Advisory Panels, or the board promoting issues of significance for mana whenua and Māori of Tamaki Makaurau. Furthermore there is no requirement for CCOs to engage with the wider communities these panels or board represent. Yet the day-to-day activities of many of the CCOs will impact on these communities and it is important that they are able to legitimately engage with the CCOs. We recommend that this is addressed by the SoIs<sup>7</sup>. In a similar manner to Local Boards, the SoIs should:

- require CCOs to establish and maintain processes for ensuring Pacific People, Ethnic People and Māori to contribute to its decision-making processes, and
- for Māori specify how input to Board decisions (as these are the most significant for the CCO) will be provided for, and
- include very clear KPIs about the purpose, mode and timing of engagement.

**(e) Relationship mechanisms with Social Policy Forum**

Given the activities and functions of some of the proposed CCOs they will need to support the proposed Social Policy Forum. It is therefore imperative that the SoIs of Auckland Transport in particular, but also Economic Development, Tourism and Events Agency and Major Regional Facilities CCOs, should:

- require CCOs to establish and maintain processes for ensuring the Social Policy Forum can contribute to its decision-making processes where appropriate, and
- require CCOs to contribute to the decision-making processes of the Social Policy Forum.

**(f) Reporting and information provision to local boards**

The three year Local Board Plan and annual Local Board Agreement are to include:

- Levels of service, performance targets and other measures
- Budget or estimate of expenses and funding

Annual reporting on actual implementation is also required. Where a CCO is a contributor to delivery of the Local Board Plan and Agreement, it is currently unclear how it will contribute to the Plans and the reporting on progress against targets and measures and the annual report. It is therefore important to provide for this within the SoI such that reporting does not only occur at a high level via the Council Committee that has governance oversight of the CCOs but provides for customised reporting for local areas that is delivered directly to local boards on at least a quarterly basis, but more frequently

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<sup>7</sup> Refer Local Government Act 2002 Schedule 8 section 9(1)(l) 'any other matters that are agreed by the shareholders and the board', which enables consideration of such engagement.

where appropriate (as may be the situation for aspects of Auckland Transport's activities).

In addition to on-going reporting of progress, CCOs should be required to provide local boards (and for that matter Auckland Council) with all operational and capital information that will assist in local (and or regionally strategic) policy development and setting. This should be set out in the SoI with appropriate measures of adherence.

**(g) Delegations to local boards**

Under current legislation Auckland Transport is able to delegate its responsibilities, duties, or powers to the governing body of Auckland Council or 1 or more local boards. To encourage such delegations we would recommend the SoI includes:

- A principle that requires Auckland Transport to undertake the delegation of decision-making to the greatest extent reasonably possible on local roading or public transport matters, and
- A KPI that would measure this.

We also note other CCOs may identify activities that have been delegated to it, initially by the ATA and thereafter Auckland Council, that would more appropriately reside with local boards. We therefore recommend that a principle be incorporated within those CCOs SoIs which will incentivise passing responsibilities across to local boards to the greatest extent reasonably possible accompanied by a KPI that would measure this.

**(h) Local board input to SoIs**

The ATA states in the CCO document (p13) that:

*"Local Boards can represent the interest of their communities by providing input to the Governing Body as to the development of SOIs for each CCO"*

The Local Government Act 2002 sets out the timing for the development of SoIs which requires boards to deliver a draft by 1 March each year to its shareholders who then have two months to comment (by 1 May), with the boards required to deliver a completed SoI by 30 June. This two month timeframe may make it practically very difficult for Local Boards to provide effective inputs to the SoIs i.e.

- firstly, after receipt of the draft SoI, Auckland Council policy staff will need to review the documentation and provide an assessment of this for both the governing body (presumably the Council Committee with governance oversight of CCOs), and on the basis that local boards are able to input to these as a 'matter of interest or concern', to the local boards.
- secondly, the 21 local boards and the CCO Council Committee would need to be presented with and consider the assessment provided and somehow within the two months provide suggestions for changes and then have the CCO Council Committee determine the exact changes.
- Thirdly, Auckland Council policy staff would need to finalise the changes, obtain approval and submit this back to the CCOs, who in turn have two months to consider the changes suggested.

In our view a mechanism will need to be incorporated within the SoIs that provides an appropriate process for local boards to collectively engage on the SoIs, or the possibility of advancing the timeframe for delivery of an SoI so the Auckland Council and Local Boards have three months to consider the SoI, particularly in the first instance of its review.

**(i) *Bylaw making processes for Auckland Transport to involve pre-consultation***

The current legislation does not provide the governing body of Auckland Council nor Local Boards with the ability to provide input on bylaws before Auckland Transport proceeds with formal bylaw notification processes. In light of the ATA's desire, along with our own, for all the components parts of Auckland Council to work properly and collaboratively together, we would recommend that the SoI for Auckland Transport require it to undertake pre-notification consultation on bylaws with the governing body or 1 or more local boards as appropriate and that a KPI measuring the value or outcomes from undertaking this be incorporated. We would not anticipate Auckland Transport conducting such pre-notification consultation on all bylaws but the expectation of this occurring to reduce the possible level of dissonance that may arise if not undertaken would be beneficial.

**(j) *Watercare to produce a statement of minimum standards of service where failure to deliver will result in a specified payment to the customer affected***

Watercare Services will be a large, monopoly provider of water and wastewater services to a captured market. While the current legislation provides some restrictions on price setting (until 30 June 2015) it is silent on other consumer protection measures that could be applied i.e. there is no requirement to establish a policy or charter for operational performance standards, response to issues and any rebates or compensation that may apply where performance fails. Internationally, it is recognised good practice to require water utilities (and other utilities) to provide a minimum specified amount of compensation to consumers on the happening of any one of a number of performance failures.

If the legislation does not change to incorporate such a requirement we recommend that the SoI requires Watercare to produce a charter that includes penalty payments for performance that does not meet targeted levels to customers.<sup>8</sup>

**(k) *Watercare be required to produce Asset Management Plans, Funding Plans, Demand Forecasts and Price Path information for future years***

In the Cabinet Committee paper AGR (09) 18 14 October 2009, the Hon. Rodney Hide indicates that:

*"As Watercare's shareholder and owner, the Auckland Council will be able to require Watercare to provide whatever information is needed to provide a robust monitoring regime."* (clause 81, p14).

To move toward this robust approach, it is important that the SoI signals the minimum information requirements that Auckland Council should expect Watercare to deliver to it, with a timeframe sufficient for the Council to provide feedback and guidance.

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<sup>8</sup> The Guaranteed Standards Scheme that Ofwat, the Water Services Regulation Authority for England and Wales, is an example of what could be produced, although other international examples exist.



The current legislation replicates for the most part what is in existing legislation (LGA 1974 S707ZZS Water Services) as the information and reporting requirements for the existing wholesale only business of Watercare. Given the substantive change in the organisation from being only a wholesale business to including a large retail business, we believe it is important that these requirements are strengthened to enable the Auckland Council to indeed have access to sufficient minimum information via the SoI. This would also help build public confidence that effective scrutiny and governance direction will sit with Auckland Council.

For some years Watercare and the retail operators have worked to a timetable that established the provision of essential information requirements to enable forecast planning, asset management, funding and pricing to be established, some of which is set in legislation but other aspects of which were agreed via contract arrangements. The Auckland Council will need access to this information in order to provide robust monitoring and to align with this, we recommend the SoI (or alternatively the contract for service, see section 8) include within it:

- Provision, at least 10 months before the end of each financial year, indicative forecast demands for the next financial year and subsequent 20 years
- Provision, at least 7 months before the end of each financial year, updated forecast demands for the next financial year and subsequent 9 years, and
- Provision of, at least 7 months before the end of each financial year, an indicative price path and indicative revenue requirement for the next financial year and subsequent 9 years
- Provision of, at least 7 months before the end of each financial year, an indicative asset management plan for the next financial year in particular terms and the subsequent 19 years in general terms
- Provision of, at least 4 months before the end of each financial year, an indicative funding plan for the next financial year in particular terms and the subsequent 9 years in general terms
- Notification, at least 2 months before the end of each financial year, of its final pricing for the next financial year and its indicative price path for the subsequent 9 years.

The changes set out above do not introduce constraints on Watercare beyond what has been undertaken for some years as part of business as usual, but it will provide the Auckland Council with the minimum information it needs, and sufficient time – especially in relation to indicative pricing – to provide feedback to Watercare, prior to it setting final charges. The information also more appropriately reflects the need to forecast and monitor a substantial infrastructure utility on a long term basis, rather than a minimum of one or five years, as set down in legislation.

***(I) CCO Board meetings to be open to public scrutiny***

The legislation as currently drafted continues the position where CCOs are not required to adhere to Part 7 of the Local Government Official Information and Meetings Act 1987. Part 7 of LGOIMA sets out the requirement for local authority meetings to be publicly notified, the provision of agendas and reports to the public, the admission of public to meetings and the right to exclude the public, the right of the public to inspect or receive copies of meeting minutes and other matters. To obtain such information from any of the CCOs a person would need to submit a request for specified official information under Part 2 of LGOIMA, with responses arriving some time after decisions were made.

Although the current legislation does not require CCOs to hold their meetings in public, given the size and significance of these CCOs (well beyond any others that currently exist anywhere in NZ), the SOIs could address what is a substantial concern amongst the public, by requiring CCOs to do so and enable public monitoring by inspection agendas and minutes and observation of board decision-making. This would be subject to the normal protections which local authorities have in respect of matters of commercial confidentiality.

We would recommend that SoIs for all CCOs include a provision requiring public availability of Board agendas, reports, minutes and, wherever possible, public access to observe meetings and a public forum so members of the public can address the Board.

### **(m) Performance Monitoring**

In our view the performance management of CCOs will be a vital component of ensuring effective, cohesive policy setting and action for the governance of Auckland. In our experience boards of CCOs must be 'fit-for-purpose' where expertise is sought that supports the particular service or function. In line with this a Statement of Intent, as the key relational document between a CCO and the democratically mandated governing body, usually provides a broad framework, including high level objectives or outcomes expected to be achieved. However underneath, or alongside this, there needs to be a rather more detailed set of expectations and performance assessment mechanisms. These also need to be fit-for-purpose.

Managing for outcomes can be as much an art, in understanding the connection between activities and high level outcomes, as a technical exercise in measuring process, outputs and financial metrics. The balance between outcome expectations and process/outputs will vary between CCOs. For example Watercare Services will have a number of readily identifiable Key Performance Indicators (KPIs) providing an assessment of whether or not it has infrastructure in place that is consistently delivering clean drinking water and transporting and treating wastewater for the citizens of Auckland. Assessing whether it delivers water at a reasonable price will be a rather more difficult exercise (given it will be a monopoly provider) or whether it achieves flexibility in terms of alternative local "green" wastewater management systems or water supply will be another issue entirely. Similarly economic development by its very nature is long term and strategic, shaping the future of the Auckland economy in partnership with the private sector, it is not just a case of delivering a set of government funded business training services on time and on budget. It is therefore important that the ATA ensures there is sufficient resource and expertise in place to ensure the performance targets and other measures established within the CCOs SoIs are effective (see section 9 for further detail on this).

## **8. CONTRACTS FOR SERVICE**

In addition to SoIs which the ATA has invited feedback on, the new Auckland Council will also have at its disposal contracts for the supply of goods and services by the CCOs.

*"A local authority obtaining goods or services from a council-controlled organisation (whether for itself or any other person) must do so under a contract for the supply of the goods or services if the supply of the goods or services is an activity specified in the council-controlled organisation's statement of intent as an activity to be undertaken by the council-controlled organisation or any subsidiary of the council-controlled organisation."*

(Part 5 clause 61, Local Government Act 2002)

The contracts which are established will enable more detailed requirements to be set out than is appropriate within a high level, outcome based SoI document. Furthermore the contracts may be a useful mechanism to enable local board matters and engagement to be more effectively articulated and addressed. It is certainly the place where funding flows and incentives can be detailed which can influence behaviour.

We would encourage the ATA to explore to the greatest extent possible means of contracting that will reinforce and incentivise the establishment of collaborative behaviour by all parties and the delivery by CCOs in accord with the policy settings of the governing body and local boards.

## **9. COUNCIL COMMITTEE WITH GOVERNANCE OVERSIGHT OF CCOS AND GOVERNANCE AND MONITORING UNIT**

We observe that since the 3 December 2009 Proposed Structure and Governance Framework for Council-Controlled Organisations (CCOs) a change in the role of the Advisory Board has occurred and a Governance and Monitoring Unit within the Auckland Council's Finance division introduced (p16 CCO document).

In particular the changes we support include:

- Introduction of a dedicated Governance and Monitoring Unit (GAMU) which supports the Council Committee with governance oversight of the CCOs and Auckland Council.
- Removal from the Advisory Board responsibility for CCOs performance monitoring and this passing to the Council Committee with governance oversight of the CCOs.

We have concluded this based on the activities description on p16 of the CCO document where the Auckland Council delegates monitoring and assessment of performance of the CCOs to the Council Committee which in turn "receives reports from CCOs" and the activities of the Advisory Board are "governance advice primarily recommending CCO directors". This is further reinforced by the descriptions of roles on p17, in particular where the Council Committee is responsible for setting the direction and monitoring the performance of CCOs.

- Removal from the Advisory Board responsibility for CCOs SOIs however it remains unclear from the discussion document whether consideration of these will sit with the Council Committee with governance oversight of the CCOs, or whether that Council Committee will make recommendations for final approval to the governing body of Auckland Council.

We support both the above changes as these strengthen the place of democratic direction setting and accountability of CCOs, rather than placing responsibility for this at arms-length had the Advisory Board retained these activities.

We note that the Advisory Board role is now very narrow- "governance advice primarily recommending CCO directors" or providing advice as requested by the Council Committee - and its membership just three or four independent members. ***Given this narrow focus, we recommend the ATA eliminate the Advisory Board altogether.***

Independent, professional advice on the appointment of directors (and/or the review of existing directors' performance) can be contracted for on an as required basis without a formal advisory board being established. The tendency arises, when a formal Advisory Board role is established, for work to be created for it to undertake that it may or may not have the relevant expertise for within its members.

Turning now to the Governance and Monitoring Unit, there are three areas we will focus on.

Firstly, a significant inconsistency appears to have arisen between what is included in the CCO discussion document as the accountabilities of the GAMU (see pp18-19) and what has appeared in the Position Description for the Manager-CCO Governance and Monitoring. While the CCO discussion document refers to the GAMU supporting and servicing the Council Committee (Activities p16), and providing some input to the Advisory Board there is a markedly different emphasis in the position description advertised where the Advisory Board has been positioned as the primary relationship to support, rather than the Council Committee or Auckland Council.

*Role Purpose*

*The Manager CCO Governance and Monitoring supports the Advisory Board's provision of governance and strategic advice to Auckland Council on its CCOs. This position will be responsible for ensuring that good governance is achieved through their support to the CCOs and that an effective performance monitoring framework is established and communicated to all relevant stakeholders.*

*This position will act as a key liaison between the Advisory Board and the CCOs on matters such as SOI direction setting, performance monitoring, director appointments and support in delivering to Auckland Council's annual plan/LTCCP budgeting process.*

In our view this emphasis is inappropriate and undermines what we supported and understood had changed between the 3 December 2009 documentation and the 1 March 2010 discussion document, which correctly placed accountability within the democratic structure and not in an arms-length, independent advisory board. **We recommend that the ATA review and change the position description of the Manager – CCO Governance and Monitoring prior to the appointment of a successful candidate to ensure the accountabilities are primarily with Auckland Council and the relevant Council Committee.**

The second area of concern relates to the positioning of the GAMU within the finance division of the new Auckland Council. Having the GAMU reporting to the Chief Financial Officer suggests to us that the ATA has underestimated the vital role that performance management of CCOs will play in realising long term strategic outcomes for Auckland.

While the Local Government Act 2002 sets out requirements for the contents of SOIs, and many of these relate to financial measures of performance, the CCOs given their size and significance will need to deliver against a broad range of outcomes in order to deliver on the purpose of local government as promoting the social, economic, environmental and cultural well-being of communities. All these aspects will need to be considered within the SoIs of each CCO and the GAMU will need to ensure it is sufficiently resourced to ensure effective KPIs, reviews and audits are undertaken. This suggests that the skills base of the GAMU team needs to extend beyond financial, mathematical, economics and

legal disciplines but incorporate appropriate knowledge of aspects of the CCOs responsibilities and how best to measure these in relation to delivering contributions to overall outcomes, strategies, and policies. **We therefore recommend the ATA ensure that the GAMU is sufficiently staffed with expertise from across a range of disciplines to ensure effective contribution by all CCOs to the four well-beings to the maximum extent applicable.**

Thirdly, we believe that to enable robust, technical performance monitoring of such significant CCOs, the GAMU should be supported by contracted independent individuals or small groups of professionals with specialist knowledge of the sector or activities that each of the CCOs operate within. In our view a small GAMU will struggle to understand the intricacies of all of the CCOs and their component parts, the relationship between all the activities undertaken within CCOs and their impact on other policy areas and activities across council or their connection to higher level outcomes. Enabling access to external professional knowledge will be vital for providing rigorous scrutiny of significant service delivery, investment and property organisations and in the case of Watercare, a substantial monopoly. As consultants and consultancy businesses in NZ will be conflicted by their need to obtain business income by working for the CCOs (especially Auckland Transport and Watercare) then overseas, specialist advice will need to be sought. **We recommend that the ATA ensure GAMU is sufficiently funded to enable external, professional advisers to be engaged able to provide independent advice and expertise on methods of review for each of the CCOs.** In our view this model would be preferable and deliver significantly enhanced results for Auckland Council compared to establishing a 3-4 member Advisory Board focussed on Director appointments and other ad hoc advice requests.

## **10. CHAIRPERSON APPOINTMENTS TO CCO BOARDS**

The current legislation is currently silent on the appointment of chairpersons or deputy chairpersons of CCOs (including substantive CCOs) which the Auckland Transition Agency may recommend to the Minister of Local Government. This provides some ambiguity as two possibilities could arise from the application of the new Section 35G sub-section 2 (b) and (c) [see p 26 of the Local Government (Auckland Law Reform) Bill]:

1. The Minister of Local Government who will be responsible for recommending an Order in Council could specify that the initial chairperson or deputy of a CCO is appointed by the Minister, and consequently thereafter by the Auckland Council under the standard provisions of the LGA02, or
2. The Minister of Local Government could specify details in the Order in Council which provide for the directors of a CCO (including other substantive CCOs) to elect a chairperson or deputy from amongst themselves.

We consider the second possibility is poor governance practice. To avoid this arising we recommend the ATA recommend to the Minister the initial chairperson or deputy of the proposed substantive CCOs, enabling the new Auckland Council to be able to appoint the chairperson or deputy of a CCO in the future.

## 11. UNRESOLVED ISSUES

While our submission has concentrated on working within the proposed legislation and areas we believe the ATA can effect change, we think it important to also highlight some serious issues that left unattended have the potential to undermine the current proposed local government arrangements for Auckland. These are:

- Democratic and human rights issues around **the right to local self governance** and communities' ability to act in their own best interests (within a larger framework). We agree with the Human Rights Commission's concerns around a lack of measured consultation and participation in the democratic process where what is proposed is vastly different in intent, form and structure from what was proposed by the Royal Commission on Auckland Governance. We also believe: *'Local self-government denotes the right and the ability of local authorities, within the limits of the law, to regulate and manage a substantial share of public affairs under their own responsibility and in the interests of the local population.'* (European Charter of Local Self-Government 1985)
- **the need for at least two tiers of local government** in a metropolitan area the size and population of Auckland. In our view Local Boards, as currently proposed, do not constitute a second tier of government and will not adequately provide the democratic mandate for elected members. Thus under the current proposal local boards will not be able to adequately perform the 'place-shaping' role articulated for them in numerous submissions.
- [related to the above] **the need for greater subsidiarity** in the governance of Auckland so that resources and decision making are focussed at the level where they can have the greatest effect and/or can benefit from better information. This in turn should provide returns to central government with more effective utilisation of resources and more effective central government expenditure in Auckland. It should also provide the opportunity to bring other resources, from outside of government such as community organisations, NGOs, the private sector and private philanthropic organisations, to bear on major issues confronting Auckland. Internationally local governments are increasingly seen as the ideal broker of such relationships.
- The need to reflect the sentiment of '**making local government local**' in the proposed structures by having ratios of democratic representation somewhere within the realms of accepted international best practice and thought, and the mechanisms which will allow democracy to play its fundamental role in policy formation.
- To provide the **mechanisms, institutions and organisations that will serve a democratic mandate**. Current proposals are unclear as to who forms policy, who develops strategy and who implements strategy particularly in fundamental areas like transport, water and land use.
- Even though the **transport and water** entities are not part of the CCO discussion document we feel it necessary to highlight that both of these functions **are inextricably linked to delivering environmental, economic, social and cultural well being**. They like any other CCO or local government function should have to 'give effect' to council plans and strategies, where the inter-relationships will have been worked through.

- To provide **clear roles and responsibilities** for different levels of local government so that local and regional governance do not unduly hamper each other and/or interfere with the ability, at both levels, to make and implement appropriate policy decisions. The current proposal that endeavours to have 'two complementary and non-hierarchical levels of governance' is misleading, has the potential to set up unrealistic expectations (particularly for, but not limited to, Local Boards) and to confuse local issues with regional issues with the risk that the former dominates the governing body's agendas and decisions.
- **The ability to address the major issues confronting Auckland in both economic and social development** and the potential for local government, at both levels, in partnering with central government to address those issues. One of the key reasons for addressing the governance of Auckland was and is, to increase Auckland's competitiveness, add greater value to New Zealand's economy and to provide connectivity between local and international markets. It should also, however, provide the opportunity to address structural problems in the Auckland economy and the way that social policies are developed and implemented in the region. It is not possible for Auckland to reach its economic potential without due attention to its social problems. If as a result of the changes to the governance of Auckland, local government is reduced to the role of a "service provider" and we achieve little more than some, yet to be proven, efficiency gains then we will have lost a golden opportunity to do better in Auckland and missed the whole point of undertaking the governance reforms.
- **The challenge of addressing diversity and disparities.** Auckland is home to about one-third of New Zealand's population and it is aging. At the same time it is the youngest and most ethnically diverse. Nearly 40% of Aucklanders are under 25 years and there are more than 190 different ethnic groups in the region. About 46% of people identify as Maori, Pacific Island (70% of New Zealand's Pacific peoples live in Auckland), Asian, Middle Eastern, Latin American, African or another ethnic group. Auckland is also the first landing place for many migrant groups including refugee communities. Polynesians, migrants and refugees are overrepresented in the most deprived households. Understanding and taking account of the needs and aspirations of Aucklanders increasing multi-cultural population is therefore a significant challenge for the new Auckland Council.
- **Partnership with Wellington.** There must be sufficient resource and expertise within the Auckland Council to support substantially improved partnership arrangements with central government, its agencies and departments. If not the default position will be that central government agencies will continue to struggle with a lack of grounded information, a lack of an integrated approach, and the potential for duplication and silo effects across government agencies, local government, NGOs and CCOs.

## **12. CONCLUSION**

The decisions of the ATA will leave a transformative legacy in place and we encourage you to consider our submission and the recommendations contained therein to improve governance and accountability matters.

The proposed changes to local government structures in Auckland are unprecedented and untested. There is a serious risk that Auckland's future could be comprised if the new Auckland Council structure is politicised and used as a political football. This places all the more pressure on the ATA to ensure democratic mechanisms work in concert with efficient and effective local government services. However the greater task at hand is the ability to improve regional and local decision-making around how resources are best used, this will require a better partnership with central government. Auckland's challenges go beyond infrastructure and reach into the lives of Aucklanders; effective and democratic local government provides an opportunity to address some of Auckland's stubborn and intransigent issues. Anything less than this will be a lost opportunity to connect with the people of Auckland in engaging them to become part of the solution; at worst hastily conceived plans and disenfranchisement will result in disastrous and costly reforms.