

# Introduction

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We have entered the urban millennium. At their best, cities are engines of growth and incubators of civilization. They are crossroads of ideas, places of great intellectual ferment and innovation...[But]...cities can also be places of exploitation, disease,<sup>1</sup> violent crime, unemployment, underemployment and extreme poverty.

Auckland is home to approximately one third of New Zealand's population. In common with other parts of the country, the population is ageing. One difference is that nearly 40% of Auckland's citizens are under 25, rising to as high as 52% in some suburbs. This is the youngest population in the country. It is also the most ethnically diverse. There are more than 190 different ethnic groups in the Auckland region, with 46% of the population identifying as Tangata Whenua, Tagata Pasifika, Asian, Middle-Eastern, Latin-American, African or 'other'.<sup>2</sup>

It is increasingly recognised that Auckland is a key to New Zealand's ongoing competitiveness on the world stage. It also holds the greatest risk in terms of rapid urbanisation and urban decay, increasing disparities among people and lack of access to services.

People are attracted to Auckland for employment, education, excitement, entertainment, diversity and culture – in a nutshell a better standard of living. But a better standard of living is more than a decent job (although this is a great start!). It includes things like safe neighbourhoods, being able to move around the city easily, having access to a decent education, health services and housing, well-maintained beaches, parks and open spaces and cultural activities that enrich urban life. These all attract and retain talented people and investment; they are the means to promote both social and economic development of all Auckland's citizens and communities now, and in the future.

## About this report

This report is written at a turning point in the history of Auckland's governance. Its purpose is to contribute ideas and facts to the public debate on how to improve Auckland's performance socially and economically. The key message is that local government is critical to Auckland's economic and social success.

This report is a work in progress, as public debate will continue and much is still to be decided about Auckland's future in the coming months. The authors hope that this report will spark conversations and they welcome feedback during this time.

Part I of this report has two main sections: Social Development and Economic Development. These sections can be read independently or together. They are written by different people. They reflect the respective authors' knowledge and experience gained from within central government, local government, health, tertiary education, and the private and community sectors. The authors of each section analyse the social or economic landscape and offer four suggestions for change to fill gaps in Auckland's proposed structures and processes. The last short section links social and economic development. It offers a

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<sup>1</sup> Kofi Annan (2000). Inaugural address to Urban 21: Global Conference on the Urban Future, Berlin. Reported in Royal Commission on Auckland Governance (2009). P. 49

<sup>2</sup> Ministry of Social Development (2008). The Social Landscape in the Auckland Region. See research papers at [www.royalcommission.govt.nz](http://www.royalcommission.govt.nz)

few examples of how social and economic success depends on each other, recognising their different contributions and mechanisms for action.

Part II documents ten case studies of good practice in local government's engagement in social and economic wellbeing. The data collection methods for these case studies are outlined in the introduction to Part II (see Part II, page 1). Each case study tells its own story and can be read independently. Taken as a whole, they offer the reader concrete examples of the vast array of roles undertaken by local government in 2009 that contribute to Auckland's social and economic development. Councils purchase, invest, lease land, influence, facilitate, build trust, shape, regulate and advocate. They also deliver community services, support and coordinate local initiatives.

## Auckland governance and development: legislative and policy framework

### Current decisions

The Local Government (Auckland Council) Act 2009 has been enacted, and the Cabinet's decision on the composition and role of the Social Policy Forum has been released. The framework is now established for social and economic development in the Auckland region under the new local government structures.

#### *What remains the same ...*

It would be easy to overestimate the degree of change the new structures will bring. While they give the new Mayor and Council unique powers and new opportunities, the overall purpose of local government set out in the Local Government Act 2002 remains the same: the purpose of local government is still as enunciated in the Local Government Act 2002:

- (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 wellbeing of communities, in the present and for the future (2002 S 10)

Local authorities must adhere to principles of, among others, transparency and accountability, regard for the views of all its communities, now and in the future (taking account of community diversity); the likely impact of its decisions on each of the four wellbeings (now and in the future); and prudent stewardship (2002 S 14). The principles and requirements in the 2002 Act that are "intended to facilitate participation by Māori in local authority decision-making processes" (S 4) also continue to apply.

#### *... and what changes:*

Nonetheless the Local Government (Auckland Council) Act 2009 (the 2009 Act) has introduced significant legislative change. In summary the most important changes, from the perspective of social and economic development, have been:

- The **Mayor**, who is elected at large, is to articulate and promote a vision for Auckland, and provide leadership in achieving that vision. He/she is responsible for ensuring effective engagement between the Auckland Council and the people of Auckland. The Mayor also appoints the Deputy Mayor, establishes committees and appoints the chairs of committees (S 9);
- A two-tier governance structure for the new Council – a **governing body** (the mayor and twenty elected councillors) and 20 – 30 **local boards**. The governing body and the boards will sit alongside each other, with distinct roles (S 7);
- The purpose of **local boards** is to better enable democratic decision making by, and on behalf of, communities in their area. They are to be sufficiently empowered

to adequately represent, advocate for, and make decisions on behalf of their communities (S 10).

Other Cabinet decisions, not reflected in legislation, look likely also to have an impact on social development in particular. The government has said that it is working to find better ways to align central and local government actions on social wellbeing. The Social Policy Forum agreed by the Cabinet on 4 May ((09) 15/12) will have as its main purpose progressing social issues in Auckland *at the political level*. Members are the Minister for Social Development and Employment as Chair, the Mayor of Auckland Council, and chairs of relevant Auckland Council Committees, together with “some select representation for local boards”.

How the Social Policy Forum will interact with the mechanisms in the Act is not completely clear. At the time of writing, we understand that work is underway now on how to make these structures work well.

### **Further legislation**

The scope of the 2009 Act, and the language used, implies that the next Bill for Auckland governance may not provide greater specificity about how social development will be dealt with under the new arrangements as this is primarily the business of the new Council, though it is likely to provide greater detail about the continuation of current Council functions.

There remains the possibility that the next Bill will put a large proportion of Council’s functions into Council controlled organisations, as has been the case with the new Transport Authority. This paper includes some discussion of how such structures could work to help or hinder social and economic development.

The Bill for the reform of the Local Government Act 2002, which the Minister hopes to introduce before Christmas 2009, may well have more impact on Council actions to promote social wellbeing and economic development. The Society of Local Government Managers (SOLGM)’s newsletter of 4 November, which summarises the decisions which are likely to be in the Bill, says:

Earlier in the year there was a good deal of public debate and comment on the possibility that the Government might have been considering restricting councils to a list of identified ‘core services’. That has not materialised in the decisions – there are no mandatory restrictions on council activity, other than what is already in legislation.

However the Government is proposing to make an amendment to section 12 LGA (the so-called empowerment clause) that would “require councils to have a particular regard to” or “give priority to” certain services that “the public expects (councils to) ensure satisfactory provision of these types of service before undertaking other services”.

As we understand it the services currently included are:

- the delivery of infrastructural services (transport networks, water supply, sewage treatment and disposal, stormwater drainage, and flood protection works) and the purchase of public transport services;
- ensuring the adequacy of solid waste collection and disposal services;
- the mitigation of risk and protection of communities from natural hazards and disasters;
- libraries, reserves and recreational activities;
- the preservation and development of people’s culture and heritage;

and  
– the performance of its regulatory responsibilities and other statutory duties.  
.....Of course, there are things missing from the above list that are important parts of a council's contribution to community wellbeing – especially economic development, social development and community development.

Some appear to view the above change as “harmless window dressing”.... we see no need for such a provision and consider this has risks.<sup>3</sup>

As the newsletter notes, there is no suggestion that Councils may carry out only those activities that are nominated as core business. What sits behind these apparently contradictory actions about social wellbeing (setting up a Social Policy Forum on the one hand, and leaving social development out of the core business of councils on the other) is an as-yet unresolved debate about the extent to which social wellbeing is the business of local government. The authors are of the view that social wellbeing is core to both central and local government: each has powers that can make a material difference. This point is expanded in the discussion in the body of this report.

### **The transition to the new structures**

The Auckland Transition Agency has recently released a draft discussion document to help shape the new Auckland Council. While it does not yet have any formal status, it provides an insight into the thinking of those who are tasked with putting the legislative and policy framework into action.

The discussion document includes a draft organisational structure. One of the three most senior positions proposed for the new structure is the Chief Planning Officer, who will have responsibility for “all aspects of regional planning”. The Chief Planning Officer has managers responsible for “environmental strategy and policy”, for “economic development,” and “community and cultural strategy” as direct reports, but social development is absent as a stand-alone function. This is surprising, and disappointing, given Cabinet's establishment of a Social Policy Forum, which clearly signals the importance of getting the social dimension right if Auckland is to prosper.

### **Limitations of this report**

The majority of the case studies are drawn from the work of two councils – Waitakere and Manukau. The innovative work of the smaller councils is not discussed; nor is the work of the Auckland Council, except for a brief mention of the Tamaki Transformation Project. We expect that, if these were included, they would add even more diversity to the critical roles councils play in social and economic development.

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<sup>3</sup> Society of Local Government Managers, Transparency, Accountability and Financial Management Review (TAFM) Announcements ,SOLGM Special member update, November 2009,2-3