

**Paper presented by Mayor Jenny Rowan QSO, JP
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Due Process in Policy & Law

Tena Koutou, tena koutou, tena koutou Katoa

- Quentin Davies
- Fellow panellists: Margaret Wilson, Claudia Geiringer and Cath Wallace
- Ladies & Gentlemen

Thank you for the opportunity to be part of this panel.

First, I want to acknowledge the outstanding and longstanding contribution ECO has made to our country over the past 40 years.

It is an honour and a pleasure to be part of your 2012 conference.

This morning, I've been asked to talk about maintaining a community voice in local and regional governance.

The "so called reform of regional governance is certainly a "hot topic" in our region, where the creation of a Wellington super-city that could include: Wellington City, Hutt City and Upper Hutt, the Wairarapa, Kapiti District, and Porirua City, is currently being debated.

With the Local Government Act 2002 Amendment Bill currently before the house – this issue is also on the agenda in many other parts of New Zealand.

In talking about the new system and how we can maintain a community voice within it I'd like to draw on what we now know about the establishment of the Auckland Super-City – a move that certainly brought about the greatest change in local government the country has seen for the past 20 years.

I have long predicted that this change would also define the shape of local government in the rest of New Zealand. Eighteen months later, Auckland has sneezed and we're all catching the flu. Sadly its one that's symptoms will linger for years – not days.

To remind you of what actually happened in Auckland... Effectively the region did away with its Regional Council, 3 District Councils, 4 City Councils and 30 Community Boards, replacing them with a single Auckland Council, now known as the Auckland City Council.

In addition, seven business units or (CCOs) were established to manage and fund about 75 per cent of local services including transport, tourism parks and recreation and water care.

Today, I want to bring a community view point to the discussion about how we govern ourselves locally. My experience is based on nearly 30 years in Local Government, from the mid 1980's - including a previous term as Mayor of Inglewood, a term as Deputy Chair of the Taranaki District Council, sixteen years as a Commissioner in the Environment Court, and a term as Deputy-Chair of the Paekakariki Community Board.

Having now witnessed, nearly two years of the new Auckland “Super” Council in action, I have to say I remain concerned about the changes I am seeing – particularly in the erosion of local democracy.

When the new Auckland Super City was created, it was evident from the “get-go” that it would create a major imbalance in the way local government was run in the rest of the country.

It was obvious it would create an automatic distortion – with other local authorities looking to enlarge and enhance their power - to get leverage and compete.

The jury is still out on how this grand new experiment will play out. What I am very concerned about, is that after only 18 months in operation and with little or no research on either effectiveness or levels of community satisfaction with this model a variation of it is being foisted on the rest of us.

The impetus for the ‘so-called’ reforms was essentially to ensure that Local Government was strengthened, while at the same time becoming more efficient and less costly.

What’s clear is that the critical role local government has to play in representing local communities has been given much less attention.

As the largest city in the southern hemisphere Auckland needs to be involved in development and have an investment role both nationally and internationally.

This is not considered a “core business” for most local authorities in New Zealand at present. Our Council currently spend 2 cents in every rating dollar on economic development!

This will require a whole range of new expertise, it will change the focus of existing commercial imperatives, invite a whole new set of stakeholders – many of whom, won’t even live in New Zealand. It will change, for all time, the way local government does business.

So, what has happened on the ground in Auckland and why should we care?

Firstly, Len Brown - the new Mayor of Auckland and paid \$240,000 - a similar salary to a cabinet minister, has been given extra constitutional powers making him the second most powerful person in New Zealand.

There are twenty full-time councillors, paid, \$80,000 - plus expenses - \$51,000 less than an MP - to represent 1.4million people (a third of our national population).

The Council’s “duty of care” is to: Auckland’s planning, its overall financial management, the management of assets, levying rates, regulation, service delivery, and the employment of a CEO who will employ the staff.

The representation ratio is approximately 65,000 people to every one Councillor elected!

Just to give you a context: a Council of 10 and four Community Boards represent our District of 47,000 people. I work up to 12 hours days and often 6 days a week, most of my Councillors are flat out as are all Council staff!

Moving to where the rubber hits the road - the 21 Local Boards... Their elected representatives are paid between \$20,100 and \$37,100. In my view a gross underpayment because the jobs they are doing are frequently full-time and the populations they represent are very large.

Six of the new wards, each only represented by two people, have over 130,000 people in them! The largest, Waitakere City has a population of 158,700, only 5,700 less than Wellington City.

Waitakere is represented by two people on the new Auckland Council compared to the 14 councillors and the Mayor currently representing Wellingtonians. It has two local Boards – one for Waitakere and the other for Henderson-Massey.

Returning to the new Council Controlled Organisations – reputedly managing 75 per cent of city services. The largest of these, Auckland Transport has a budget in excess of \$680 million and is responsible for the entire region's transport needs, excluding state highways, these include roads and footpaths, parking and public transport and cycle tracks.

In my district, which I call submission central, our total asset-base is \$640million. We are expected to consult with be accountable to our ratepayers through the Long Term Council Community Plan, the Annual Plan and the District Plan. On top of this almost all our meetings are open to the public, with opportunities for public speaking provided. Any current or future Councillor who dabbled with the idea that they could spend this money with no accountability would be in for a very rude awakening!

Back to the new genre of Local Boards that have been rolled out in Auckland.

The theory is that Local Boards are supposed to take responsibility for Community engagement and make decisions on local matters, including: input into Council strategies, policies and plans. They can also make local decisions on non-regulatory matters unless they have regional implications, and local regulatory matters delegated by the governing body.

They could also be given delegated decision making on local transport issues, a three-yearly Local Board Plan, linked to the Long Term Council Plan – or LTP, local bylaws, and annual local board agreements based on local board plans, included in the Auckland Council LTP and Annual Plans.

I list some of these activities to give you a “real feel” for the huge workload that has confronted the new Boards. To give you an idea - my Council employs 250 staff to do many of these jobs.

The fair allocation of resources to boards is absolutely crucial and it is up to the Mayor to ensure there is effective engagement between the Auckland Council and the people of Auckland.

The more local decisions are made at a local level, the more administration and infrastructure will be required locally.

My sense is that to run effectively, the new Boards really need to have a similar level of administration and infrastructure to that existing previously in areas like Waitakere, North Shore and Manual city.

If the Boards are not made a priority then I believe many of them could find themselves in the same situation as half the community boards in New Zealand where, over the last twenty years, they have effectively been starved of resources and not able to attract good people.

We then need to add the Remuneration Authority, to this highly questionable mix. For some reason it has never fully understood the workload of Local Government elected representatives especially at the local level – so they are highly unlikely to understand the inequity that is currently playing out.

All of this brings me to the conclusion that the Auckland model does not strengthen or support the local governance in our country, in fact I believe it has put the fundamental principles of our democracy at risk in the long term.

Some of the principles that I believe need to underpin a healthy democratic process in Local Government are:

Firstly: grassroots democracy needs to be seen as a benefit to our way of life and not a cost; this is a real challenge for all of us. At issue is the priority we are prepared to give to local democracy and community engagement – compared to efficiency.

Secondly, people need to be able to relate to their local board representatives, have their voices heard, and know that they can meet face-to-face with some one on matters of importance.

Given that the population ratio for Auckland City is 10,000:1, as compared to Denmark which is only 1084:1 Sweden only 667:1 Italy 397:1 France 116:1, I have real concerns about how this can really happen.

It is interesting that all these countries have experienced the loss of democracy in the comparatively recent past – so they understand how precious it is!

Thirdly, remuneration packages need to be set at a level that will attract good people.

For too long Local Government has been restricted to those who can afford to be available – the retired, the self employed, those with a private income or a partner behind them, and a small handful of community-minded beneficiaries. It is different for the big cities, but to offer \$20,000 - \$30,000 for local board members to work for these huge organisations simply won't cut the mustard.

Then there is the issue of “relevance”. How relevant is 21st century local Government when many sections of our community are still not adequately represented at any level.

From the beginning the new Auckland Council was blighted because the Government had not ensured representation for tangata whenua. Add to this is the fact that nearly 40 per cent of Auckland residents are born overseas and the city is considered one of the most ethnically diverse cities in the world.

I'd have to say that this new model that isn't really demonstrating a fair mix of representation for women, Maori, Asian, and other ethnic groups, is not meeting the needs of the 21st century.

This is a major challenge to our democracy, and if it is not sorted effectively it will erode our ability to govern within a stable environment.

As our country faces the biggest changes we seen in local government for the last 20 years, it is alarming to see how poorly understood the concept of “local governance” is.

In my own District it's evident that a significant number of the “would be” new leaders really want to manage the place, rather than govern it!

In a country where only 50 per cent of the population voted in the last local body elections, we need some serious education about the critical role Local Government plays in our daily lives. I might say the Government needs this too!

We must keep Local Government relative, ensuring people can access both the information they need, and those making decisions for them.

Clearly many European countries understand the need to have local decisions - made locally by small groups. Is this a lesson we still have to learn? If the 21 Local Boards in Auckland City and others that are about to be created around the rest of the country are not resourced well, and the elected members are not supported, we could see a return to the old Boroughs of pre 1989.

Doing more with less, being driven solely by efficiencies, working professional staff to the bone, and setting up elected representatives in a part-time environment where job descriptions show a full-time workload is not, in my view, a good recipe for the future of Local Government in New Zealand.

Above all we now need to consider whether a poorly researched, “one-size-fits all” model will do the business for the rest of the country.

If we prize the local voice in our democracy we need to take more time to consult and get this right!

Jenny Rowan QSO, JP