



NORTHERN ACTION GROUP INC.



A

Supplementary Proposal on the Formation of a **North Rodney** **Unitary Council**

June 2016



Auckland Council Reorganisation:
A Supplementary Proposal on
the Formation of a North Rodney Unitary Council

Proposed by:

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Warkworth
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In this document we propose variations to our Original proposal to create a new “Unitary” Council for Northern Rodney, based on experience and additional information available since the original proposal was filed.

With respect, we would appreciate the opportunity to **speak to our proposal** in the presence of the Commissioners at a mutually convenient time and place.

William Townson
Chairman
Northern Action Group Inc.



Auckland Council Reorganisation:
A Supplementary Proposal
on the Formation of a North Rodney
Unitary Council
by
the Northern Action Group (NAG)

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1. INTRODUCTION

- 1.1. In 2013 the Northern Action Group (NAG) filed an application for reorganisation in the North Rodney (NR) area of Auckland Council (AC).
- 1.2. After due process the Local Government Commission (LGC) has called for alternative proposals for reorganisation in the Auckland Council District by 24 June 2016.
- 1.3. This supplementary proposal is made by NAG as a variation to the original submitted reorganisation proposal. It follows consultation and development since the proposal was lodged and includes variations based on successful implementation of Community led local governance in the Thames Coromandel District Council TCDC, which NAG considers will enhance its proposal for an effective Unitary Council in NR.
- 1.4. This document should be read in conjunction with the original NAG proposal.

2. HEARING

- 2.1. As the original NAG proposal for reorganisation is the proposal against which alternative proposals are being sought, and the basis for the LGC's decision to call for alternative proposal on Auckland governance and reorganisation, NAG requests the opportunity to address the LGC and speak to its supplementary proposal.

3. DOCUMENT STRUCTURE

- 3.1. This proposal provides additional information on the ineffectiveness of the current AC model, why it is not working, and its inappropriateness for NR.
- 3.2. An Appendix A is provided to contrast the governance and responsibility differences between the current failing AC model and the successful TCDC Model.
- 3.3. Subsequent Sections identify parts in the original NR proposal for which NAG now provides additional clarification or modification.



4. WHY AC IS NOT WORKING FOR NORTH RODNEY (OR OTHER AUCKLAND COMMUNITIES)

- 4.1. The idea that Auckland Council (AC) should concentrate on regional matters and that Local Boards should have responsibility for local activities was clearly identified in the original Royal Commission study¹ and endorsed by the report of the Auckland Governance Legislation Committee².
- 4.2. In their 4 September 2009 media release, the local government minister Rodney Hide and associate minister John Carter said:
- 4.3. “We said we would listen on the issue of the powers of local boards, and we have,” said the Ministers.
- 4.4. The reality is that, instead of concentrating on regional matters, councillors and the Auckland mayor have: retained control of funding for community initiatives, kept decision-making power over local services and facilities, implemented a regional unified rating structure (separating local funding from local expenditures) and kept the power to set local by-laws.
- 4.5. Last year when Paula Bennett announced the latest LGC membership, she said in her 30 June 2015 Media Statement:
- 4.6. “Fundamentally, we need local government to focus on **(i) delivering sustainable infrastructure, (ii) making sensible spending decisions, and (iii) listening to its citizens....**”³
- 4.7. A year on now and in its determination to centrally manage the whole region, AC is delivering on **none of these**. Instead we have the contrary examples of:
 - (i) worsening transport delays and no long-term solutions; an expensive central rail loop that is being funded by the whole region for the benefit of city commuters; an inadequate housing building program, with unaffordable housing, a poor homeless community and the Government not ruling out appointing Commissioner; a hugely expensive Unitary planning process for no equivalent benefit; CCOs that disagree with Council (e.g. over harbour use) and

¹ ...the Commission identified two broad, systemic problems evident in current Auckland local government arrangements:

- Regional governance is weak and fragmented.
- Community engagement is poor.

² From 4 September 2009 Minister’s Media Release:

“The Bill as reported from the Select Committee gives local boards decision-making powers, with the Auckland mayor and councillors concentrating on regional matters. The 20 to 30 local boards will have control of funding for community initiatives, local decision-making power over local services and facilities, and the power to propose by-laws.”

³ numbering and bold type added.



- a Council and CCOs managing functional silos which don't listen to local communities...
 - (ii) a Council buying accommodation for itself in Auckland that has a \$30m refit blowout; a \$180m IT overspend and over \$1.2B IT spending when there is no evidence to show a fully integrated system from the old council's systems was actually necessary; an overseas "ambassador" that we don't need; growth in highly expensive (\$100,000+ salaries) council administrators at the same time as reducing community volunteering; and constant wastage of rural ratepayers funds on urban projects they get no benefit from (e.g. Auckland Live's Aotea Centre piano stairs, or \$50,000 on staff Sky TV subscriptions).
 - (iii) widespread local area disenchantment (disenfranchisement - representation levels are so low votes don't count), Local Boards have no effective power to engage their communities; centralised decision making excludes locals; and costly and pointless consultation processes where submissions are ignored.
- 4.8. The Minister's expectation for the LGC to address the issues was:
- 4.9. "I will be asking the Commission to be creative and think seriously about the different kind of local government structures that will help our communities continue to prosper."
- 4.10. A year on now and the LGC has proposed nothing to improve engagement and empowerment of communities in Auckland.
- 4.11. Yet in 2012 the LGC endorsed the draft report on Community Governance for the Thames Coromandel District Council (TCDC)⁴, which has now been successfully implemented.
- 4.12. Models like that operated by the TCDC are working. NAG proposes a Unitary Council for North Rodney that follows that model.
- 4.13. Instead of deliberating over proposals for reorganization of the whole of AC which will inevitably be a fraught and protracted exercise, the LGC should be following its own prescription for an area it knows support the change, and giving NR a chance to show it can make a separate Unitary Council work in partnership with its communities and with neighboring Councils.

⁴ <http://www.tcdc.govt.nz/PageFiles/7643/Draft%20Thames%20Coromandel%20District%20Council%20Community%20Governance%20Report%20for%20Council.pdf>



5. WHAT IS NOT WORKING FOR NORTH RODNEY

- 5.1. The Commission considered that local councils would be better placed than the elected Auckland Council to respond to local preferences. Despite the adoption of a two-tier model, Auckland Council has **conformed to the very monolith** the Commission feared: remote, unresponsive to its citizens, estranged from the very interests that fund and sustain it and who rely on it for service delivery.
- 5.2. The focus has been on creating a centralised organisation and regional plan, with a subsequent failure to devolve and engage, and community concerns have been subordinated to this model.
- 5.3. From the outset the new organisation has **failed to recognise rural/urban differences**:
 - (i) The people of Northern Rodney can't see how urban policy and regulations relate to rural lifestyles and governance.
 - (ii) Rural people's activities relate primarily to the land itself i.e. farming and other rural activities.
 - (iii) People of the Auckland urban area on the other hand are more focussed on organised activities and less focussed on things rural. This is what sets rural apart from urban residents.
 - (iv) The common interests within rural and urban communities are different.
 - (v) Hence, communication with and the understanding of rural needs is paramount to Northern Rodney, however, neither of these have occurred under Auckland Council.
- 5.4. **Size, centralisation and the remoteness** of the AC bureaucracy inevitably **create problems** in the relationship:
 - (i) Northern Rodney have experienced a "lack of experience" by urban-centric policy makers in Auckland Council around the practicalities of farming. This has resulted in high levels of frustration, which to date, have failed to be addressed within the co-governance model of Auckland Council.
 - (ii) Multi-layered bureaucracy and dealing with Auckland Council staff who do not know the north, or fail to understand issues that are rural based, has meant failure to act on resident's requests. This problem exists with Auckland Council and its CCO's.
 - (iii) Lower levels of representation mean more local apathy and lower voter turnout.
 - (iv) Loss of personal relationship connection in service provision (dealing with a faceless bureaucracy) causes alienation and loss of interest in community outcomes.
- 5.5. **Failure to distinguish between regional and local** services and how to manage them creates antagonism:



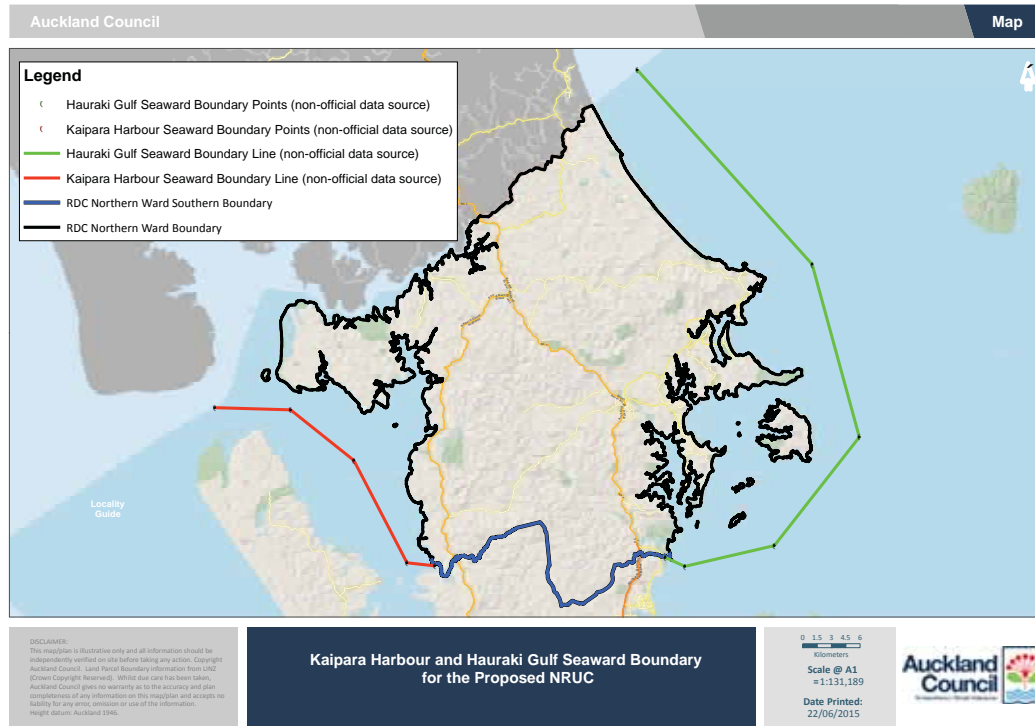
- (i) The idea that “one-size can fit all” conflicts in areas of service standards and cost of capital works. For example, Auckland Transport’s footpath construction standard is not different between rural and urban settings and yet the operational environments are vastly different.
 - (ii) The non-notification of consents, when the work may conflict with local interests, is of concern by many residents who are more connected and “neighbourly” than their urban counterparts.
 - (iii) Central contracting of services means a loss of local contractors jobs, as tenders get let to firms with greater size and scale. This means loss of local knowledge, discourages and works against new business development, adds to transport problems (from employee travel and travel time wasted, and means higher costs from servicing communities remotely from central areas.
- 5.6. **Centralised regional planning** conducted **remotely**, but covering local plans as well **without any delegation of authority** to Local Boards other than to recommend, has made Unitary planning an **expensive** and **pointless** exercise for NR people:
- (i) Unitary Planning has created serious concern over many of the fundamental rules that would adversely affect landowners and their ability to farm in an economic and productive manner. This in turn has economic effects on small rural communities with no protection over their micro economies. The subsequent complexity and cost to counter these rules via submissions clearly defines the disjoint between Auckland Council and its rural landowners in northern Rodney.
 - (ii) Personal interpretation and misinterpretation of regulation by Auckland Council employees affects the sustainability of farms. This is a fundamental concern to livelihood and a major driver for the break way considerations by the people of northern Rodney. This is particularly evidenced within the Rural Coastal Zone and Outstanding Natural Landscape overlays.
 - (iii) Examples of ignorance of local matters or arrogance of council staff increase frustration and anxiety as they cannot be resolved within the community.
 - (iv) Northern Rodney’s issues do not seem to be able to be addressed within the decision-making framework of Auckland Council (see below) and a separate unitary council for this region is sought to allow this council to develop its own service arrangements that works for its situation within the bounds of the Local Government Act 2002. A TCDC model is advocated within the Unitary Council structure sought.
 - (v) Centralisation inherently increases the risk that fewer people controlling more resources will get it wrong. Distributing the risk across more people and decisions involving more projects may increase costs, but reduces the risk and costs of a major mistake.
- 5.7. **APPENDIX B:** Provides further examples from residents of frustrations with the Auckland Council bureaucracy.



6. PROPOSALS TO VARY THE ORIGINAL NR REORGANISATION PROPOSAL

6.1. Chapter 1: Map of North Rodney Unitary Council.

- (i) Revised Boundary details have been submitted and accepted by the LGC in processing the application.



- (ii) The southern boundary is that of the old RDC Northern riding as recommended by the High court. Criteria for appropriate Council boundaries are described in Clause 17 of Schedule 3 of the LGA. The adopted boundary satisfies only one of these criteria viz (b). The other two are in conflict with each other. As the proposed boundary is nowhere near any Parliamentary electorate boundary we believe 17 (a) should prevail and the catchment to the north of a line between Makarau and Waiwera river mouths should be identified. The Boundary should also avoid using roads and circumvent both Title and assessment boundaries. As we stated in our original proposal NAG does not have access to the necessary data bases to establish such a line and we strongly recommend that the Commission engage suitably qualified personal to carry out this exercise to ensure the best and most suitable Boundary is found.
- (iii) The Seaward and Northern boundaries as submitted and accepted by the Commission for our original proposal remain.



6.2. Chapter 2: Community Support.

- (i) Additional information on support has been provided and accepted by LGC in processing the application.

6.3. Chapter 3: Pursuit of Good Local Government.

- (i) 3.2 - Problem with Status quo: The comments in the original proposal are added to by the elaboration in this document of Why AC is not working for North Rodney and What is not working for North Rodney, and Appendix A showing why the Community led governance model of TCDC (the Devolved-Empowered Model) would be better for NR.
- (ii) 3.3 - 3.6. It is now clear that the Devolved-Empowered Governance Model proposed will support achievement of the aims of NR to address these problem areas under the current structure and operation.
- (iii) 3.7 - Workable Charter. The proposed Charter is of course to be determined by the NR communities themselves and this will also be facilitated by the establishment of Community Boards.

6.4. Chapter 4: How the NRUC will achieve its aims.

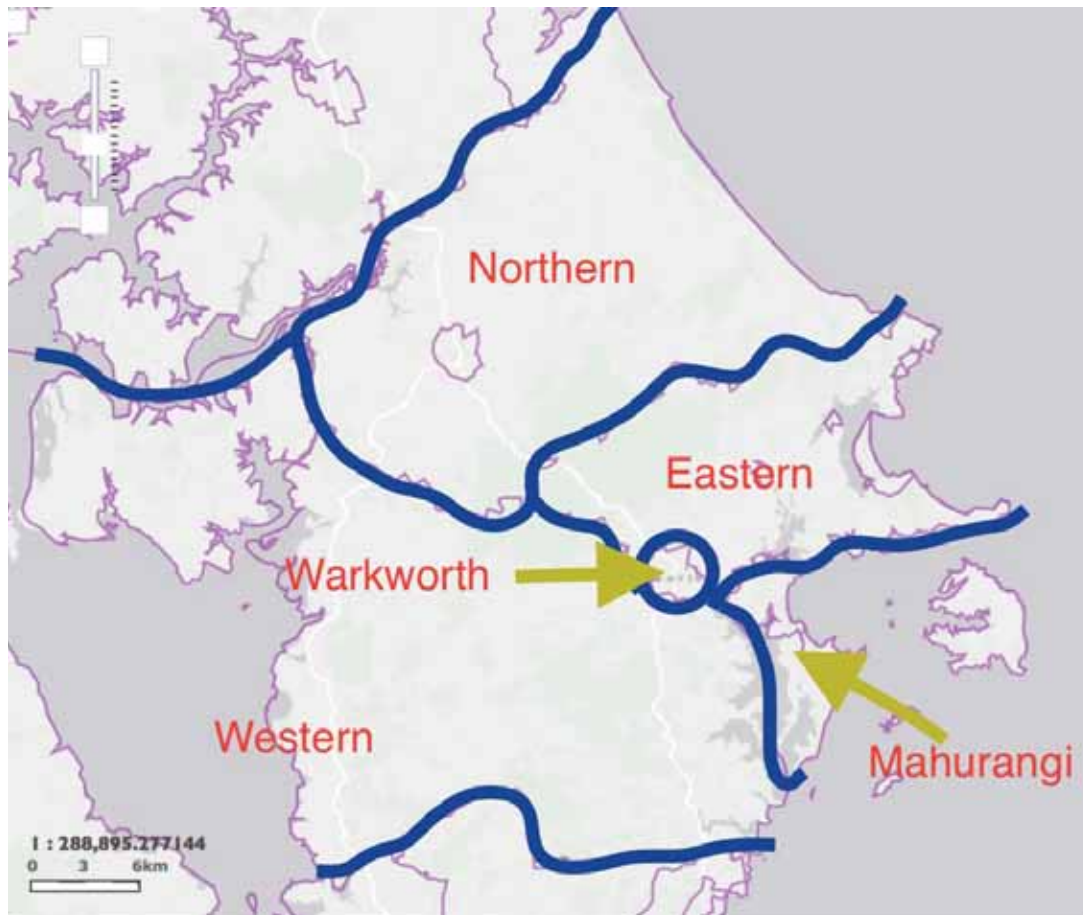
- (i) The proposals in the original proposal are affected by the separation of responsibilities intended under the Devolved-Empowered Model.
- (ii) 4.1.1 - 4.1.2. *Representation*: 5 Ward Councillors and 1 Mayor are still proposed. In addition, the 5 Wards would have 3 Community Board members, elected at the same time as Councillors.
 1. Although the actual division into 5 Wards using mesh block level detail would require consideration of up to date data, we have assessed that this would provide fair representation in accordance with the Local Electoral Act 2001 (LEA) using 2013 census mesh blocks and the Statistics Department map and mesh block data⁵ as follows:

Ward	Population	Variance
Northern	4980	+10.9
Western	4206	-6.3
Warkworth	4479	-0.3
Eastern	4119	-8.3
Mahurangi	4671	+4.0
TOTAL	22455	

⁵ <http://www.stats.govt.nz/StatsMaps/Home/People%20and%20households/2013-census-population-dwelling-map.aspx>



2. Section 19V of the Electoral act requires an even balance over the 5 wards with a variance of +/-10%. There is no natural geographic division to bring the Northern ward within tolerance but as most growth is likely to occur in the other wards it will not be long (if it is not already) before the North tolerance limit is within the 10% variance.
3. This diagram shows the indicative distribution of the 5 Wards.



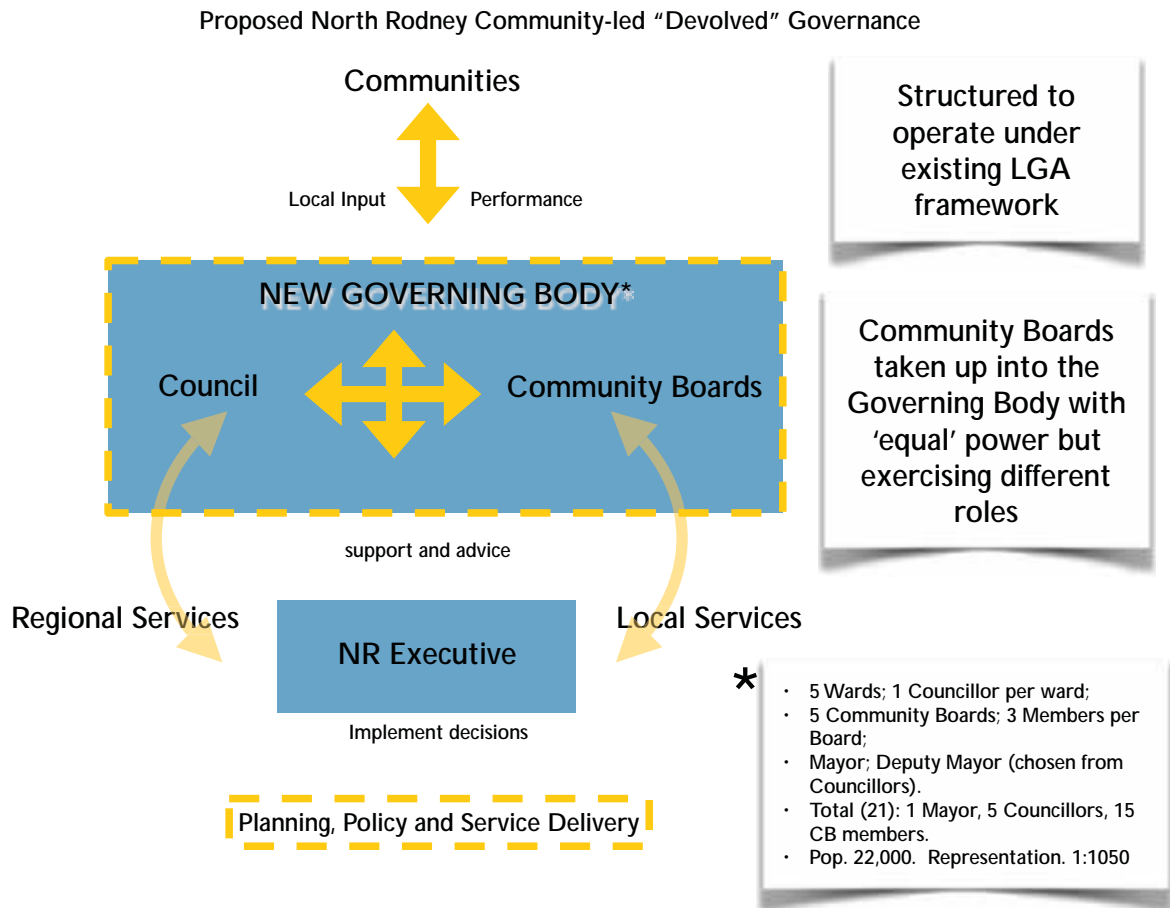
4. Maori representation

1. From the 2013 census there are 2440 or 10.9% Maori in the district with over a third located in the Northern ward.
 2. NAG cannot say whether the North Rodney Community would want a separate Maori ward we suggest that the matter be dealt with by the new council and a resolution be made (if necessary) under section 19Z of the Electoral act.
- (iii) Community Boards would elect their own Chair, who would attend ALL Council meetings.
- (iv) The CEO would provide appropriate advice, support and implementation. Following the TCDC example under the Devolved-Empowered Model, it is likely 2 or 3 Area Managers would be appointed by the CEO, to service the 5



Community Board areas and also attend all Council meetings. Community Boards would also have a Coordinator (to assist with administration) and receive support from the Executive (financial advice, planning, budgets etc.)

(v) The proposed Governance structure is as follows:



(vi) 4.1.3 - Administrative Centre. The Administrative Centre would still be as Warkworth, with one or two Area Offices (depending on cost) as a base for the Area Managers. Office and staffing decisions would still be made on affordability.

(vii) 4.2 - Philosophy.

1. The local philosophy and activity intentions of this section are unchanged, but of course would be determined by the Communities and Council under the proposed Model, so may be different from what was anticipated. In particular the opportunity for rating variations depending on local community needs and projects, worked out by the Community Boards, the Council and Executive, provide incentives for proper project justification, good budget and project control, trade-offs across communities and care in raising debt levels.



- 6.5. Chapter 5: Regional Parks.
 - (i) NAG has now revised its proposal for the ownership and control of regional parks. These are significant assets within the NR area and the Government's new proposed Better Local Services⁶ legislation⁷ with flexibility for shared services and joint CCOs, alongside the growing discussion on "Provision" vs "Production" approach to local government⁸ suggests that the approach to shared services and possible joint CCO management of assets and services generally should be reviewed by the incoming Council.
 - (ii) The new NR Council and Community Boards would be required to discuss and resolve the responsibility for development, maintenance and upkeep of the regional parks with Auckland Council. While their use and development must be part of the NR area plans, they are accessed in high proportion by people from outside NR, and legislation prevents them from being managed by either Council as Private Goods and from recovering costs fully from users.
 - (iii) A significant concern for North Rodney ratepayers is the poor state of roading and high kilometers of unsealed roads. 80% of visitors to regional Parks in NR are from outside NR and they make no contribution to the upkeep of access roading.
 - (iv) For unrecovered costs of Public Good services provided by the Regional Parks, it seems an appropriate arrangement would be for these to be shared by NRUC and AC. For this we suggest the net costs of Regional Park operations (including for providing access roads) after any revenues, be apportioned on the basis of population between AC and NRUC).
 - (v) A jointly owned CCO for Regional Parks could be structured to facilitate what NR residents see as missing, i.e:
 1. accountable Regional Park management;
 2. a fair distribution of any net operating and access costs; and
 3. fair representation of NR interests in decisions on protection, development and use.
 - (vi) Matters of access or car park charging, farming or recreational only use, environment concerns alongside tourist development opportunities, local volunteer support, and iwi and DOC engagement, are constrained by Public Good requirements, and have to be resolved by the NR communities and their NRUC in a partnership approach. This initiative will be better supported and achieved under the Community Board structure.

⁶ <https://www.dia.govt.nz/Better-Local-Services>

⁷ *Local Government Act 2002 Amendment Bill (No 2) ; 144-1; June 2016*

⁸ *e.g. see the McKinlay Douglas Ltd Newsletter Issue 39, June 2016*

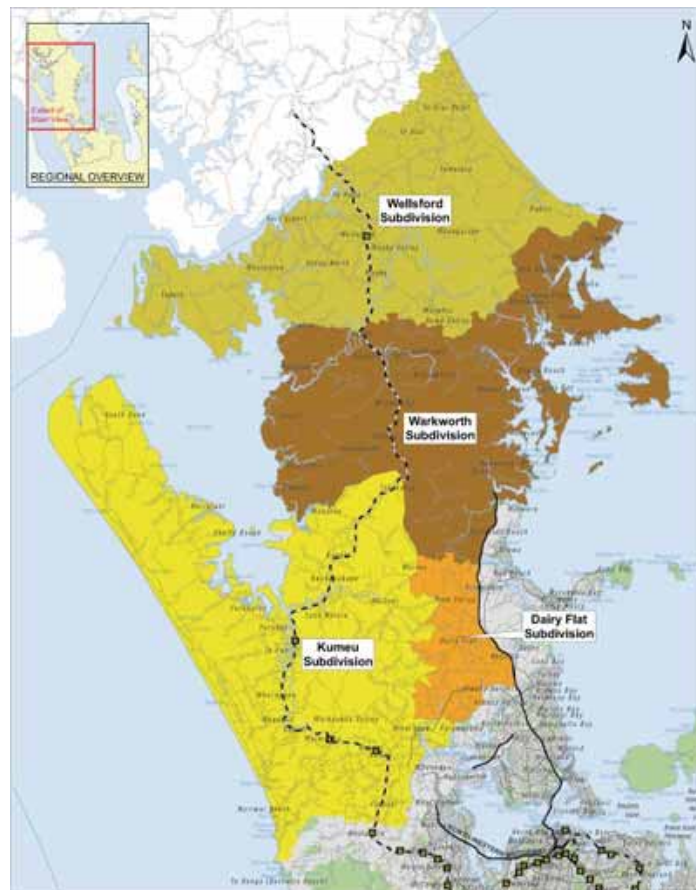


- 6.6. Chapter 6: Unitary Council Responsibilities.
 - (i) Subject to the regional park variation, the comments on Unitary Council responsibilities remain, but are affected and added to by the preference for the Devolved-Empowered Model of governance.
- 6.7. Chapters 7 -10 and Appendices.
 - (i) These are not changed except that the implementation of the Devolved-Empowered Model will affect finances and is expected to improve the achievement of the benefits of separation as envisaged in Chapter 7.



7. IMPLICATIONS FOR THE CURRENT RODNEY WARD AREA

- 7.1. There has been considerable concern about the governance performance and operation of Auckland Council in communities elsewhere in the Auckland Region and the Commission will no doubt receive proposals from some of those as well.
- 7.2. However NAG does not have sufficient understanding of the issues facing those areas or what their aspirations might be and we confine our comments only to those areas immediately affected by our proposal - namely the remainder of the Rodney ward.
- 7.3. The main concern raised about the NR proposal is the impact on the representation and governance of the rest of the Rodney Local Board district if NR becomes a Unitary Authority separate from AC.
- 7.4. The current Rodney area has just one Ward with 4 subdivisions (Wellsford, Warkworth, Dairy Flat and Kumeu.)



- 7.5. The proposed NR area leaves out a small part of the Warkworth subdivision and includes a small part of the Kumeu subdivision.



- 7.6. The current Rodney Local Board District has 1 Ward, 1 Councillor and 9 Local Board members appointed for a population of around 60,000. (1:6,000) covering 46% of AC's land area.
- 7.7. The NR proposal would separate out around 22,000 population, and create 5 new wards within NR with 1 Councillor per ward. [As proposed this would significantly increase the level of representation in NR, but that does not need to be balanced with AC if NR is a separate Unitary Authority.]
- 7.8. This leaves a South and West Rodney (SWR) Ward with around 38,000 population and a SWR Local Board within AC with 1 Councillor and 5 or 6 Local Board members (keeping the current proportionality of population representation within the Ward (1:6,300 - 1:5,400).
- 7.9. However, the level of councillor representation relative to Ward population would increase to outside the 10% limit of the basic provision of the LEA. We understand that concern has been expressed by existing SW members of the Rodney Local Board as to their fate should the North (NR) be separated off.
- 7.10. Their concern appears to be that the smaller size of SWR would force adjustment of adjacent predominantly urban Ward (Hibiscus, Waitakere or Upper harbour) boundaries to absorb residual Rodney. If this happened they would have reduced levels of representation and lose their community identity.
- 7.11. The split of Rodney Ward into a NR Unitary Authority and a smaller Rodney Ward within AC is not inconsistent with the separate proposal from the Kumeu-Huapai Residents and Ratepayers Association⁹, who argue for the creation of an additional Ward within Rodney to increase representation for the West Rodney area. If NR became a separate Unitary Authority, SWR could still have a single councillor without departing from the statutorily prescribed limit of 20 councillors in AC.
- 7.12. The original determination of Auckland Ward boundaries was made under the Local Government Auckland Council Act 2009 and those provisions have now been repealed. The next scheduled representation review (due in 2018) will therefore be conducted within the parameters of the LEA (as amended).
- 7.13. Although criteria apply in determining fair representation (ie within a 10% range of equal numbers in each Ward), section 19V (3) (a) (iii) provides that this average does not have to be complied with if it "**...would limit effective representation of communities of interest by uniting within a ward or subdivision 2 or more communities of interest with few commonalities of interest:**
- 7.14. The remainder of the SW RLB is clearly rural in nature compared with its neighbouring wards and to absorb it into any of those wards to 'balance the numbers' would clearly invoke the exception provided above.
- 7.15. Therefore we contend that the Commission use that tool and the Rodney Local Board area (albeit in a reduced size) be allowed to continue to exist in its own right with it's own Councillor if our proposal is adopted.

⁹ <http://www.stuff.co.nz/auckland/local-news/rodney-times/80809016/rodney-split-option-would-give-area-two-councillors-and-two-boards>

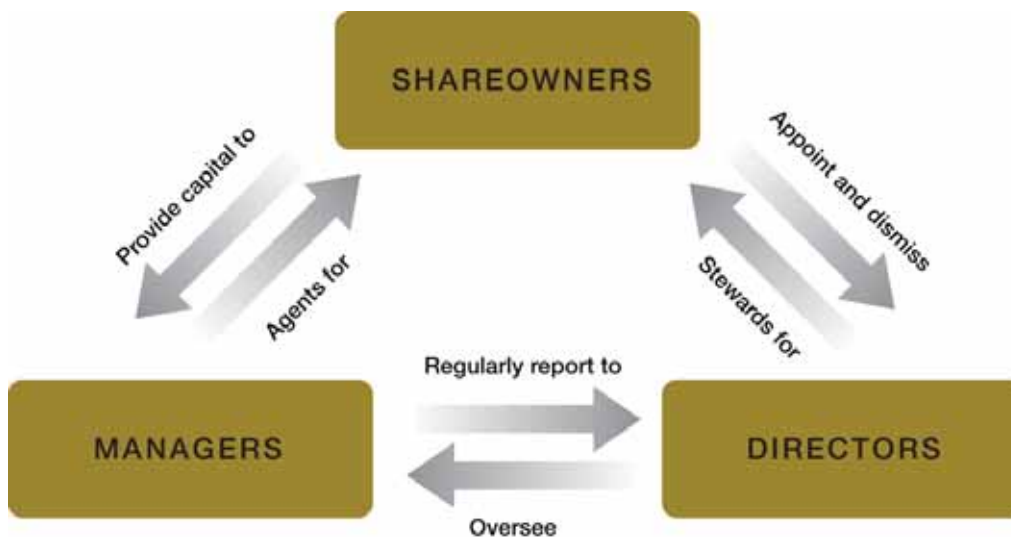


APPENDIX A: AC and TCDC Governance and Decision Making Responsibilities: Why the TCDC Devolved-Empowered Model works better.

1. GOVERNANCE

- 1.1. First, In the traditional model of corporate governance the agency and stewardship responsibilities are clear:

CG: Agency And Stewardship



- 1.2. In Local Government, the main differences from the corporate model are:

- (i) Share owners (ratepayers) have unlimited liability;
- (ii) Ratepayers are the main (but not only) customers of a council;
- (iii) Councils have no competitors;
- (iv) Councils are obliged to provide some Public Goods¹⁰ (e.g. street lighting, footpaths, health and safety, regulatory activities);
- (v) Councils have a (limited but significant) capacity to regulate ratepayer and customer behaviour.

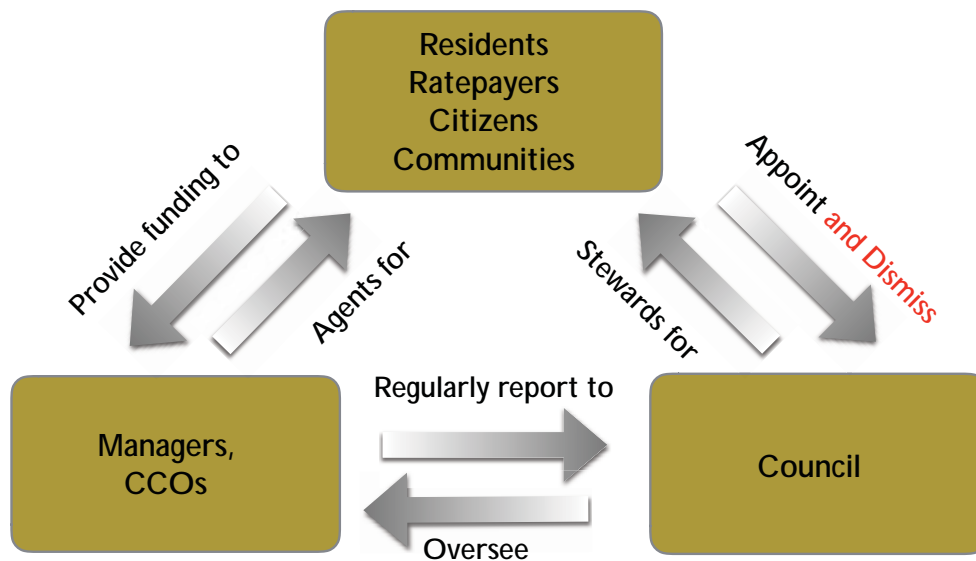
¹⁰ *Local Government and the Provision of Public Goods: Local Government Forum: Nov 2008.*
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- 1.3. Also Councils necessarily have a long term service and development focus - but this is not so different from Not For Profit (NFP) corporates with a strong economic, Social Governance (ESG) focus.

1.4. So we can reasonably adapt the diagram for Local Government:

LG: Agency And Stewardship



to make the point that:

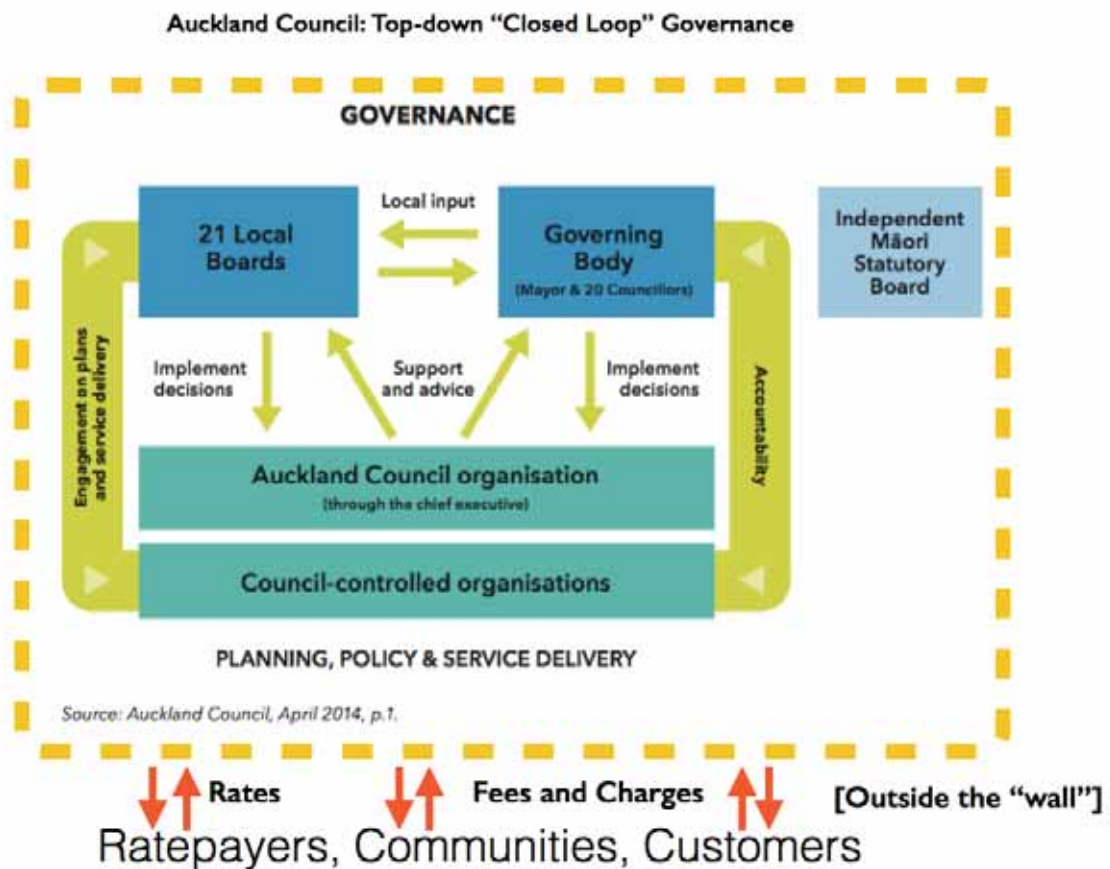
- (i) there is a working relationship between Principals and Agents in the Governance concept, and the Principals and their role are not ignored between elections and appointments, and that
 - (ii) Principals should have authority to dismiss Agents (e.g. Councillors in this case, but the LEA and LGA significantly constrain that ability)
- 1.5. The key characteristic of AC Governance is that it largely ignores the role of Residents and Ratepayers and Communities in setting and operating the governance framework.
- 1.6. The Auckland Council Local Governance Statement¹¹ makes no provision for any interaction between elections or even an annual review of mayor and councillor performance. There is a lot of reference to consultation and engagement, but these are through unidirectional policies - there is no community empowerment.

¹¹ <http://www.aucklandcouncil.govt.nz/SiteCollectionDocuments/aboutcouncil/governingbody/aucklandcouncillocalgovernancestatement.pdf>



- Responsibility and Authority lies with the Council. There is little delegation to Local Boards (some the size of other Councils) and no opportunity for residents, ratepayers or communities to exercise control other than through election of councillors. Further (unlike established the traditional corporate structures) this cannot be reviewed between elections if councillors do not perform or residents are unhappy, unless the Government intervenes.

2. DECISION-MAKING RESPONSIBILITIES - AUCKLAND COUNCIL



2.1. The governing body and local boards obtain their decision-making responsibilities from three sources:

(i) Statutory decision-making responsibilities:

1. The governing body and local boards have statutory responsibilities under the 2009 Act.

A. **Governing body:** Statutory responsibilities include decision-making responsibility for the following:



- the regulatory activities of Auckland Council (such as Unitary Plan, consenting, and bylaws)
 - allocation of non-regulatory activities to either local boards or the governing body
 - agreeing local board agreements with local boards
 - emergency management, including rural fire services
 - compliance with the financial management requirements of section 101 of the Local Government Act (including the Annual Plan, the Long-term Plan, and financial policies)
 - acquisition and disposal of assets
 - regional strategies and policies (such as the Auckland Plan)
 - governance of council-controlled organisations (CCOs)
 - appointment of the chief executive and maintaining the capacity of Auckland Council to provide its services and facilities
 - transport objectives and transport funding for Auckland.
- B. **Local boards:** The statutory role of local boards includes decision-making responsibility for the following:
- adoption of local board plans
 - Agreement of local board agreements (with the governing body) and monitoring the implementation of local board agreements
 - providing input into regional strategies, policies and plans
 - proposing bylaws for the local area
 - community engagement, consultation and advocacy.
- (ii) **Delegation of decision-making responsibilities**
1. The governing body can also delegate some of its decision-making responsibilities for non-regulatory activities to local boards.
 2. To date, the governing body has delegated the following decision-making responsibilities to local boards:
 - exemptions under the Fencing of Swimming Pools Act 1987
 - input into notification decisions for resource consent applications
 - authorising the destruction of wandering stock on Great Barrier Island, in accordance with the Impounding Act 1955, delegated to the Great Barrier Local Board.
 3. The governing body and local boards can also be delegated decision-making responsibilities from Auckland Transport. There are currently no delegations in place.



(iii) Allocation of decision-making for non-regulatory activities

1. The governing body is required by legislation to allocate decision-making responsibility for the non-regulatory activities of Auckland Council to either the governing body or local boards, in accordance with principles contained in section 17(2) of the Act. This provides as follows:
 - a. decision-making responsibility for a non-regulatory activity of the Auckland Council should be exercised by its local boards unless paragraph (b) applies:
 - b. decision-making responsibility for a non-regulatory activity of the Auckland Council should be exercised by its governing body if the nature of the activity is such that decision-making on an Auckland-wide basis will better promote the well-being of the communities across Auckland because-
 - i. the impact of the decision will extend beyond a single local board area; or
 - ii. effective decision making will require alignment or integration with other decisions that are the responsibility of the governing body; or
 - iii. the benefits of a consistent or co-ordinated approach across Auckland will outweigh the benefits of reflecting the diverse needs and preferences of the communities within each local board area.
2. Decision-making for non-regulatory activities can only be allocated to either the governing body or to a local board. Where more than one local board has an interest in a local activity then section 16(3) of the Act provides that:

... a local board should collaborate and co-operate with 1 or more other local boards in situations where the interests and preferences of communities within each local board area will be better served by doing so.
3. The non-regulatory decision-making allocation is required to be identified in the Long-Term Plan and forms part of the special consultative procedure for the draft Long-Term Plan.

2.2. In the 2015-2025 AC Long Term Plan, this Local Board/Governing Body allocation is set out under categories ("Themes") of functions or activities:

- Governance and Support,
- Auckland Development,
- Parks Community and Lifestyle, and
- Environmental Management and Regulation,

and as relevant for each group of activities/area, responsibilities for:

- Fees and Charges,



- Service specifications and Procurement,
- Asset renewal (maintenance of capacity to AC standards (if funding is given), and
- Other activities (all allocated to the Governing Body)]

2.3. IN SUMMARY:

- (i) Local Board decision making responsibilities are mainly to propose recommendations to the Governing Body.
- (ii) All allocated expenditure and decision making authority is only within plans and budgets approved by AC - which are based on approval given by the Governing Body based on recommendations for which approval (and hence decision-making authority) is given (i.e AC has already approved the items for which Local Boards are said to have decision making allocation - other than non-material local improvement items within limited budgets.

2.4. Under this top-down model:

- (i) representation ratios are the lowest in the country (half the national average)¹².
- (ii) the level of satisfaction and engagement is universally low (only 21% feel they can participate)¹³;
- (iii) communities do not work together and with the governing body;
- (iv) local development is sacrificed to central development, and rural to urban;
- (v) unnecessary spending is not discouraged as significant amounts are seen as relatively small in overall expenditure terms, and functional units have discretionary budgets;
- (vi) debt levels are very high and communities have no say in the level of debt; and
- (vii) unified rating imposes costs on communities that see no benefit from the investment, and benefits on communities that do not pay the full cost. There is no process for mutual agreement on finances and priorities.

¹² *The recent report for the Committee for Auckland on the Governance of Auckland 5 years on [“The Governance of Auckland: 5 Years On”]: Report by the Policy Observatory, AUT University, for the Committee for Auckland; May 2016.] offers no new insights (failing to distinguish between engagement and empowerment), but recognises AC’s failure to engage communities, and records the low levels of representation in AC (1:8980 compared with the national average of 1:4847, and much better ratios of international representation).*

¹³ *q.v. Report: footnote 12*



3. DECISION-MAKING RESPONSIBILITIES: TCDC



3.1. From the Community Governance report

- (i) The new Community Governance approach provides for essential Council services to be governed and managed centrally with some non-essential (but still important) services to be administered locally.
- (ii) **Essential services to be managed by the Council**
 - Wastewater
 - Solid Waste
 - Storm Water/Land Drainage
 - District Transportation
 - District Economic Development
 - Bylaws
 - Land-Use Planning and Land Use Management



- Strategic Planning
- Emergency/Hazard Management
- Water Supply

(iii) Services to be managed locally by Community Boards and area offices

1. Area offices in Thames, Whangamata and Whitianga will manage these services with their Community Boards (Coromandel/Colville local services will be managed from the Thames area office).

- Harbour Facilities
- Parks and Reserves
- Halls
- Libraries
- Airfields
- Swimming Pools
- Public Conveniences
- Cemeteries
- Local Transportation
- Local Strategic Planning
- Community Grants
- Local Economic Development
- Local Bylaw Levels of Service

3.2. Highlights from the report's other recommendations

- Community Boards will be supported to provide local leadership and develop relationships with the Council, the community and community organisations in developing local solutions within community board areas
- Community Boards will be empowered to develop Community Board Plans (CBPs)
- Community Boards can make decisions on leases associated with Council owned property in their jurisdiction (associated with local activities)
- Develop and approve local policies such as Reserve Management Plans
- Community Boards be given a new authority to approve, on behalf of Council, un-budgeted expenditure in local activities (amount and process to still to be approved) within local activities
- Community Boards will ensure that the request for service system is operating as it should



- That major service contractors and the contracts through which they are engaged are continuing to provide excellent operational performance

The Council retains the right to review any decision of a Community Board on the following basis:

- Where it believes the Community Board decision has contravened any relevant legislation.
- The powers and functions of community boards as defined in the Local Government Act 2002 have been exceeded.
- The delegations of the Community Board have been exceeded.
- The decision will unduly impact on the ability of Council to provide a district wide level of service where it believes it is necessary to do so, for
- A decision to call in a Community Board decision for Council review will be made jointly by the Mayor, Deputy Mayor and Chief Executive.

3.3. IN SUMMARY:

- (i) Decision making responsibilities are shared between Community Boards and the Council.
- (ii) Community Boards make their own plans and budgets (in consultation with Council).
- (iii) Under this Devolved-Empowered Model of community governance:
 1. representation ratios are a quarter of the national average(1:1,000);
 2. the level of satisfaction and engagement is universally high and increasing (only 22% dissatisfied at the last survey, over 60% happy with Community Board performance)¹⁴;
 3. communities work together and with the governing body;
 4. local development is integrated with regional development;
 5. unnecessary spending is discouraged as Community Boards have their own budgets and can set their own rates for services they have responsibility for;
 6. debt levels are lower since communities have control the level of spending and hence debt; and
 7. allowing separate rating means communities can see what they get for their rates and provides strong discipline on Community Board (and Council) spending. For regional projects being part of the Governing Body means communities have a process for mutual agreement on finances and priorities and rating and other tradeoffs.

¹⁴ TCDC Annual Report 2014/15



APPENDIX B: Example problems with the Auckland Council

Pre City Expansion:

- Inappropriate interference by ARC members to persuade government to include Rodney in Auckland so they could retain control of Regional Parks.
-

Central:

- In July 2014 illegally sent out rate invoices.
- Requiring power-independent home builders to supply power lines to their frontage.
- Continuing failure to provide certainty to legacy Advisory Committees or to hold elections during the life of the Council.
- Excessive travel expenditure in AC with no benefit to outlying boards or communities.
- Extreme intransigence on the part of Auckland Transport when dealing with complaints.
- Serious blow-out of IT costs and general failure to provide claimed "benefits of scale".
- Repeated staff restructuring causing staff and community dissatisfaction.
- Failure to account to ratepayers by activity and area for any efficiencies - as distinct from cost savings through reduced service provision.
- Failure to provide accountability to residents and ratepayers requesting information (even through LGOMIA requests) - information on income and expenditures is collected in functional silos (either in CCOs, or in AC) and is either not collected (or not made available on request) by area and project.
- Excessive reliance on commercial confidentiality and secrecy preventing ratepayers from scrutinising Mayor, Council, Local Board and staff performance.
- Increase in overheads relative to provision of on-the-ground services (no figures available).
- Indiscriminate and incompetent application of policies of "Central contracting" and "Preferred suppliers" have produced many examples of waste and inefficiency causing unnecessary resource use and cost to ratepayers:
 - Local contractors are shut out of work contracts because they are too small to tender for region-wide work. Preferred contractors then exploit their position to charge too much.
 - Outside contractors take their earnings and spending back outside NR reducing local income, as well as jobs.
 - The policy thus encourages travel for work and increased regional roading congestion, as opposed to favouring local work for local people.
 - \$70,000+ was paid for painting a toilet block at Wellsford and replacing pans.



- Maintenance contractors bring mowers to the Atui Creek Regional Park from Pukekohe when a neighbouring contractor could do the work. This happens also for roading maintenance work.
- AC selected a preferred supplier for a local job that was so expensive the Local Board called local tenders for the work (the need for the Local Board to do this to “keep preferred contractors honest” indicates a governance dysfunction in itself). When quotes were received at less than half the quoted price, the preferred supplier (surprisingly!) halved his quote!

Board:

- Slow progress on budgeted projects. Failure to agree to public workshops. Inability to require council offices to perform.

District Plans:

- The Auckland Plan process was disorganised and disappointing with some Councillors only interested in their local issues and failing to attend hearings.
- Unitary Plan - Compulsory pre-hearing meetings required lengthy travel and some were of no value.
- The process was dominated by lawyers and planners and procedural requirements making it very intimidating for inexperienced individuals. There was much confusion and appointment errors.
- The web site was extremely confusing and constantly changing. Some submitters were never advised of hearing details.
- Because of the size of the Unitary Plan submitters were denied the usual adequate time for their presentations. Big developers were able to get extended time slots by presenting expert witnesses.
- Law changes allow Councillors to make changes to Commissioners decisions with no appeal except on points of law.

District Issues:

- Unfairness of application of Unified rating system - getting NR ratepayers to pay for Urban costs they don't benefit from, without any offsetting benefit anywhere else. Examples include the repair of leaky buildings and the central auckland rail link.
- Extreme frustration at working with a morass of bureaucracy in AC dealing with ever-changing staff with no institutional memory/
- Failure to deal satisfactorily with Ti Point pines plantation. Still not resolved and not satisfactorily explained.



- The sorry tale of the Araparera forest¹⁵, where AC have managed to breach all four pillars of governance after taking over RDC:
 - **Transparency** - failure to keep the public informed about the joint venture project or find and disclose records essential to establishing the true facts of what occurred - AC has selectively provided numbers and ratepayers have seen no full accounting for the targeted rate income against costs incurred by AC (and RDC) and no full and gross accounting for the project.
 - **Responsibility** - (a) failure to act as a proper trustee for the ratepayers contributions and project assets - un-refuted allegations of conflicts and unethical practices, and apparently unrecorded, and thus unauthorized, changes in the terms and outcomes of the project - conduct that variously advantaged others and disadvantaged the scheme's beneficiaries (b) failure to address concerns (questioning started in 2012), and to act promptly since the venture was wound up (May 2, 2015) resulting in continuing unnecessary costs (e.g. rental payments on the land) and delays in applying the funds to sealing roads.
 - **Accountability** - failure to hold anyone to account for the poor oversight and management of the project; and
 - **Fairness** - (a) failure to deliver any benefits to the ratepayers who contributed a targeted rate to fund the project for 28 years (no roading is yet sealed with any proceeds), (b) an initial spirit of cooperation and collaboration "rewarded" with fully commercial charges applied against the proceeds in monetizing the assets, and AC charging significant time and costs (paid for by ratepayers) to the project, including in defense of its conduct of the project, (c) a highly unsatisfactory audit (conducted on AC's own terms of reference) which produced nothing conclusive about the allegations of mismanagement.
 - Failure to provide requested records of decisions made by Council and its officers and information on the contracting processes used and full accounting for all Gross rates, costs and revenues associated with this venture is continuing and has caused considerable resentment and loss of confidence in Council and its officers.
- Continuing to issue resource and building consents to developments under immediate threat from sea-level rises in spite of continued warnings by locals.
- Unnecessary expenditure on equipment for CD groups already well equipped by RDC.
- Obsessive focus on rebranding and a uniform look and feel throughout AC, without consultation and against local opposition, incurring unnecessary and costly re-signage, and painting. This includes replacement of hall signage, including historic signs, without consultation with communities. For those communities prepared to fight this decision AC spent considerable sums in opposition before replacing original signs two years later.
- Attempts to control and significantly raise fees in all halls.

¹⁵ <https://secure.zeald.com/localmatters/results.html?q=araparera>



- Increasing bureaucracy and fees for the use of public facilities for events with no consultation.
- Removal of rubbish bins from key places without consultation.
- Urban planners dealing with farmers from a position of complete ignorance of farming requirements.
- Reduction of Local Board's budget causing planned projects to be dropped.
- Local Board spending on arts, and on "appearance" items (like Warkworth's tiled clocktower) when core service and infrastructure items (like roading) are neglected.

Local Issues:

- Contractors sent to Warkworth from South Auckland to repair minor equipment and change light bulbs.
- Without any consultation with Advisory Committees an early attempt by AC was made to take over control of local halls and repeated changes of contractors supplying their own equipment occurred.
- Structural work on halls done without consultation causing problems and useless monthly checks by contractors continue.
- The lease of the Warkworth Museum Society was left in limbo for more than 3 years because new AC staff had no knowledge of the Museum's existence or the simple method of renewal used by RDC.
- Resource consent for activities which have significant impacts on the community are no longer notified and removal of the RDC consents web site means no one has prior knowledge of these developments. Consenting of activities occurs although strongly opposed by the community.
- Ongoing rating problems for ratepayers with unadvertised increases.
- Lack of support for landowners to deal with neighbouring breaches. Lack of compliance enforcement for a variety of breaches.
- Cavalier treatment by AC of Kawau islanders parking needs at Sandspit and placement of SEAs on the island.
- Selling bridges to Matakana then telling the residents the bridges are unusable.
- Refusal to agree to Omaha Beach request for a set net ban.
- Failure to clean public toilets on weekends in Warkworth and neglect of maintenance of gutters and drains.
- Refusing to allow Advisory Committees to make decisions on changes to their facilities without going through a devious bureaucratic processes.
- Discouragement of volunteer contributions and engagement e.g. in libraries.



Auckland Transport:

- Poor maintenance and upgrading of local roads requiring work to be redone.
- Standard on metal roads not complying with contract.
- Refusal to accept local citizens recommendations for road markings.
- Excessive placement of chevrons on minor roads causing dangerous night-time dazzle.



AFTERWORD

"Although the very long delay (55months) in reaching this stage in the reorganisation assessment process has caused NAG considerable distress and expense, and the highly contentious decision to declare the whole region an affected area for the NR application has unnecessarily extended the scope of the LGC's reorganisation review, one positive outcome caused by the delay has been our discovery of the highly successful Thames Coromandel District Council (TCDC) Devolved-Empowered model of local governance.

NAG quickly became aware that many of its components enabled the very principles we desired in our original proposal to be pursued. However unlike our initially theoretical model, here was a proven working and successful example thereby validating much of the guesswork involved with the original design.

Members of our team have twice travelled to Thames and have generously been allowed time with the original 'visionary' of their model Mayor Glenn Leach and his team and also the architect of its implementation CEO David Hammond.

To say that we were inspired by their ideas and commitment would be an understatement and we decided to use this opportunity to promote and enhance our original proposal with the overlay of this model.

We know our opponents will quickly point to the extra expense in having a much higher level of representation, but experience in Thames Coromandel has been that savings and avoidance of waste has more than offset these costs. They now enjoy the lowest rates and declining debt per ratepayer (DPR) in their region without compromising service delivery. Indeed their DPR is one tenth that of AC ratepayers which has tripled since AC was formed, is still climbing, and is forecast to keep doing so for many years to come.

Why wouldn't anyone want such a system for their local governance?

We only ask that the Commission provide the opportunity for that to happen. "

.....William Townson, NAG Chairman